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ABSTRACT

The third in a series of subject presentation in the field of administrative management for use by educators and businessmen who teach management courses is offered. The point is made that the concept of an educational program in small-business administrative management involves the investigation of a series of topics stemming from basic management functions as opposed to purely operational features of the business represented. The Lesson Plan is an outline of the material covered which may be used as a teaching guide, or as a framework for developing an individualized presentation. The Presentation is a carefully prepared subject presentation which may be used as written or modified to meet local needs and conditions. The Visual Aids are photographic copies of the set of visual aids which are available for this topic. These visuals are 8- by 10-inch colored transparencies prepared for use on overhead projectors. The Supply Department consists of materials which may be reproduced locally for distribution to course participants. Cases in Point list short actual small-business management cases which may be used to augment the presentation and to develop discussion. The Incubator provides ideas for stimulating further thought and discussion by the participants. A short bibliography is provided, and field offices of the Small Business Administration are listed.
(CK)

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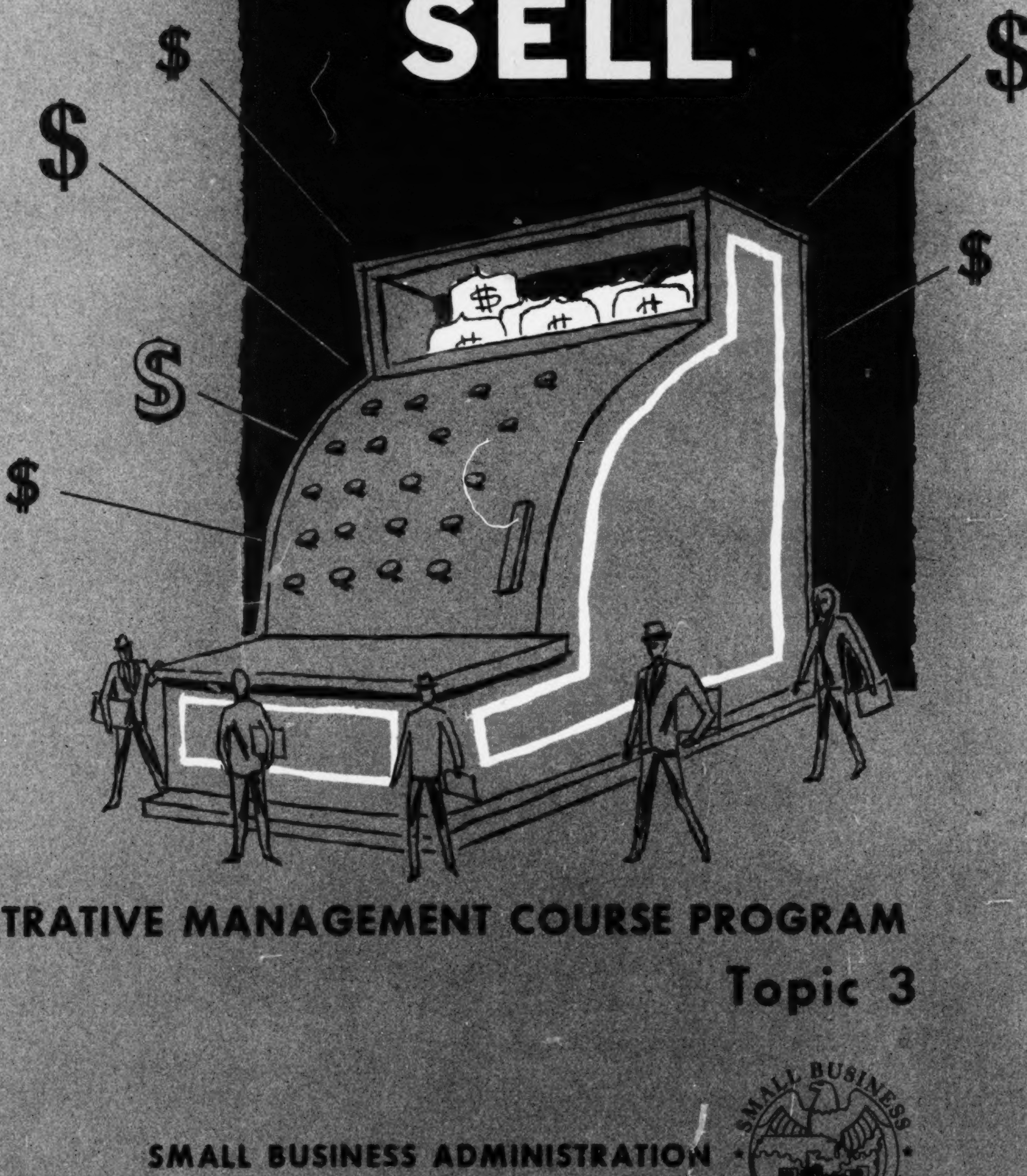


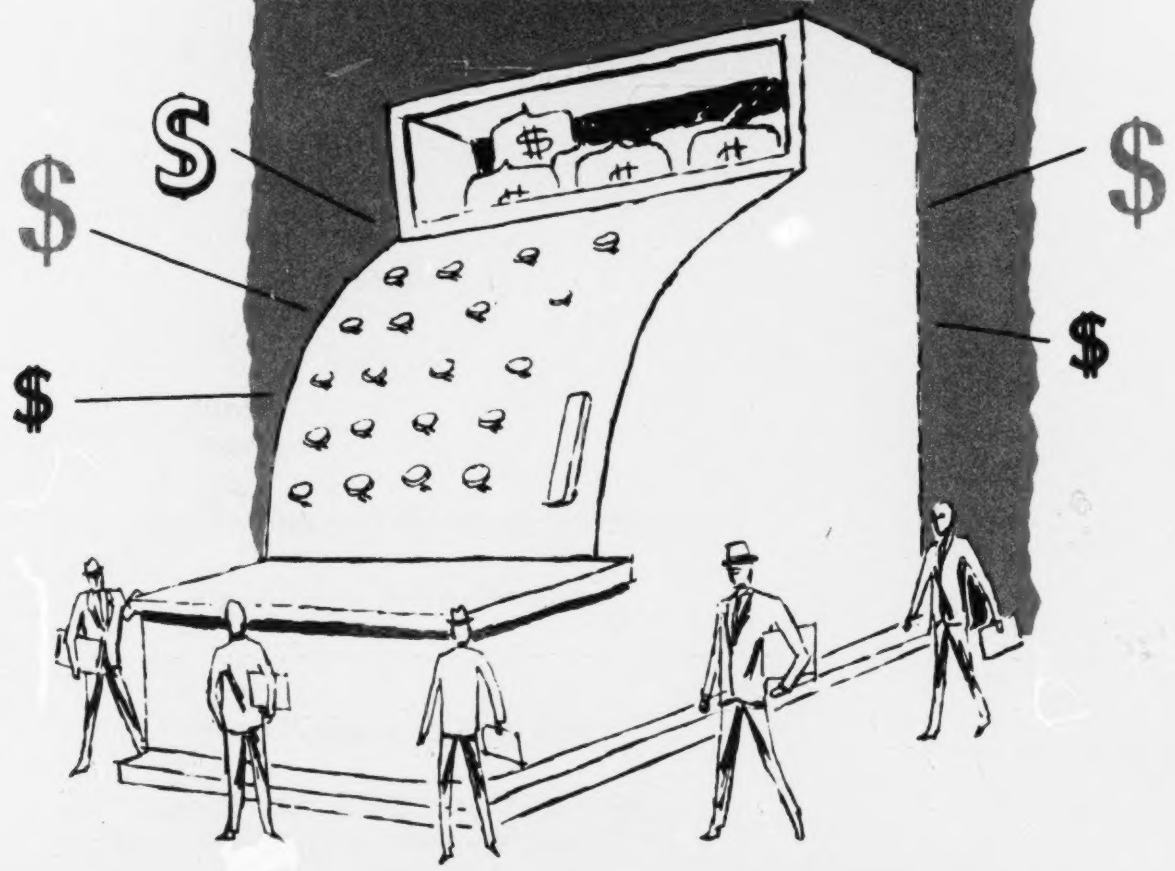
ADMINISTRATIVE MANAGEMENT COURSE PROGRAM

Topic 3

SMALL BUSINESS ADMINISTRATION

AC012 326

Managing to SELL



ADMINISTRATIVE MANAGEMENT COURSE PROGRAM

Topic ③

Small Business Administration
Washington, D.C. 20416 1964

SMALL BUSINESS ADMINISTRATION

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3

Functions of the SALES MANAGER in a Small Business

- ● ORGANIZING
- ● SELECTION
- ● TRAINING
- ● MOTIVATING
- ● EVALUATING
- ● FORECASTING
- ● PRICING POLICY
- ● PRODUCT POLICY
- ● SALES CONTROL

3A

Essential Parts of the SALES INTERVIEW

PREAPPROACH

APPROACH

PRESENTATION

HANDLING OF OBJECTIONS

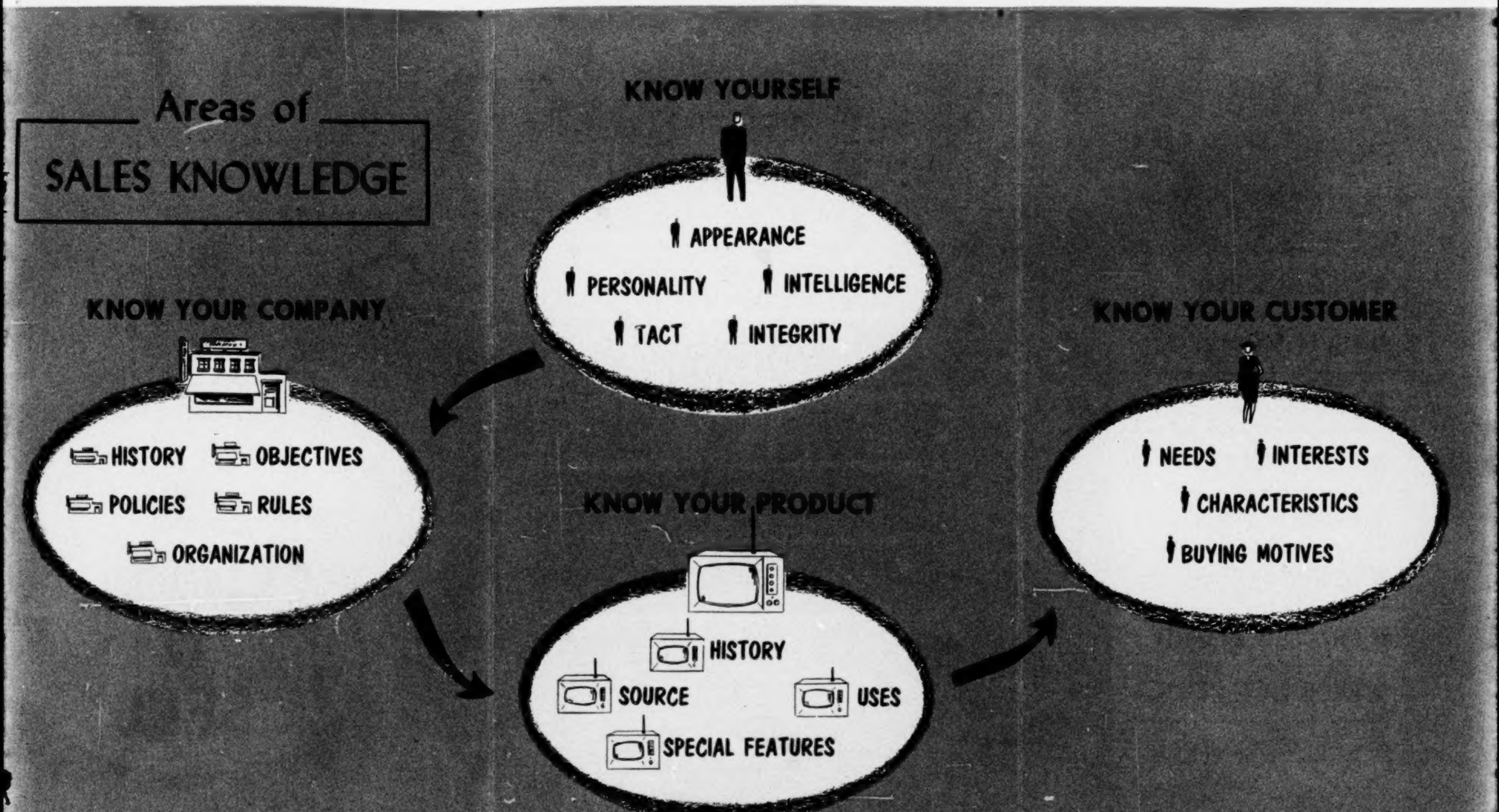
THE CLOSE

SMALL BUSINESS ADMINISTRATION

GPO 883-633

Topic 3

Focal Points on MANAGING TO SELL



Areas of SALES KNOWLEDGE

KNOW YOUR COMPANY

- HISTORY
- OBJECTIVES
- POLICIES
- RULES
- ORGANIZATION

KNOW YOURSELF

- APPEARANCE
- PERSONALITY
- INTELLIGENCE
- TACT
- INTEGRITY

KNOW YOUR PRODUCT

- HISTORY
- SOURCE
- USES
- SPECIAL FEATURES

KNOW YOUR CUSTOMER

- NEEDS
- INTERESTS
- CHARACTERISTICS
- BUYING MOTIVES

FOREWORD

The Administrative Management Course Program was developed by the Small Business Administration in cooperation with educational institutions in 1954 to bring modern management knowledge and techniques to the owners and managers of small businesses. Since then, 785 American universities, colleges, and local school systems have cosponsored 2,929 courses with this Agency. Over 93,000 owners and managers of small businesses have attended these courses.

This is an outstanding demonstration of public spirit and service on the part of these hundreds of educational institutions. Yet, there remain many thousands of communities, particularly those under 25,000 in population and whose business establishments are all small, which have never had an administrative management course.

A committee on management education was recently formed consisting of representatives of the Distributive Education division of the American Vocational Association, and the Small Business Administration to study ways of meeting the small-business management needs of these small communities. The committee recommended that a series of subject presentations, including lesson plans, lectures, visual aids, case studies, and handout material, be developed to assist in the establishment of administrative management course programs in new locations. Further, it was felt that this material could materially assist existing management programs, particularly by emphasizing the importance of continuing education for small-business owners and managers, and by assisting the busy instructor with his preparation.

SBA accepted the responsibility for developing a series of subject presentations in the field of administrative management for use by educators and businessmen who teach these management courses. This booklet is the third in the series. We believe that these presentations will be particularly useful to Distributive Education in the smaller community where library research facilities are limited and equipment for the production of visual aids is not readily available.

I wish to express appreciation to the Richmond Public Schools System for granting a leave of absence to Mr. John O. Perreault. Mr. Perreault did research for this project under the supervision of Mr. Grant C. Moon, Chief, Management Courses and Conferences Division.

The booklet was written by Mr. John W. Clark and edited by Mr. George C. Willman, Jr., Educational Specialists in the Division, with the assistance of Mr. Thomas O. Barnes and Miss Margaret Torpey. Artwork and visuals were prepared by Mr. Michael J. Fontana and Mr. Milton H. Weber of the Graphics Branch, Office of Administrative Services.

Eugene P. Foley
Administrator

September 1964

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A WORD ABOUT THIS SESSION

The concept of an educational program in small-business administrative management involves the investigation of a series of topics stemming from basic management functions as opposed to purely operational features of the business represented. The operational factors vary widely, but the principles of sound administrative management have quite universal application.

It is anticipated that, through the medium of administrative management courses or institutes, educational institutions will cooperate with the Small Business Administration and other community agencies in bringing the specialized knowledge and experience of a series of management specialists to small-business owners and managers participating in the program.

Typically, the "faculty" of a cosponsored management course might include:

A lawyer,
A banker or financial executive,
An advertising executive,
A Dun & Bradstreet, Inc. executive or a management consultant,
A trade association executive,
An accountant,
A Distributive Education coordinator,
A school or college faculty member, in specialized business administration or merchandising fields,
An SBA Management or Financial Specialist, and/or
Other businessmen.

This topic, Managing To Sell, may be handled by a sales training director or D. E. coordinator. The U. S. Office of Education publication, Guide for Part-Time Instructors, Distributive Education for Adults, may prove useful to local instructors.

This is one of a series of subject presentations which are available to the local educator. The complete set may be obtained from the Small Business Administration. Throughout the series, the term, "management," includes administrative, general, or top management.

The system of colored divider sheets is used in all booklets in the series. The color code is:

Grey -- The Lesson Plan. An outline of the material covered which may be used as a teaching guide, or as a framework for developing an individualized presentation. The lesson plan contains two columns: the left-hand column is an outline of the presentation; the right is a step-by-step indication of procedure, including chalk-board suggestions, quotations, discussion points, and a keyed guide to the visual aids supplied.

Rust -- The Presentation. A carefully prepared subject presentation which may be used as written or modified to meet local needs and conditions. It may also be used as a source of information by a person preparing his own lecture.

Buff -- The Visual Aids. Photographic copies of the set of visual aids which are available for this topic. These visuals are 8- by 10-inch colored transparencies prepared for use on overhead projectors. The subject presentation and lesson plan are keyed to the visuals. A set of visuals for each subject in this series may be borrowed from the nearest SBA regional office.

Green -- The Supply Department. Materials which may be reproduced locally for distribution to course participants. Your nearest SBA office can furnish information on current availability of SBA free publications, including titles published subsequent to this volume.

Yellow -- Cases in Point. Short actual small-business management cases which may be used to augment the presentation and to develop discussion, or as the basis for a second session on the same topic.

Blue -- The Incubator. Ideas for stimulating further thought and discussion by the participants. This material may be reproduced locally for distribution to course participants. "Assignments" are designed to aid in retention of the subject matter of the session.

Note: See back cover for index reference to the divider sheets.

8

THE LESSON PLAN

A [illegible] on Target

Section

Good teaching depends on good planning. An objective or target must be set. Then the [illegible] are selected that will enable one to keep hitting at the heart of that target.

The primary aim of the instructor is to first give the participants the things he MUST KNOW, then the things he SHOULD KNOW. When these [illegible] have been covered, the topic can [illegible] with the [illegible] to know and helpful to know elements.

The following lesson [illegible] on target. If it is used as a guide, it will enable [illegible] to emphasize the major points while at the same time he stimulates the participants [illegible] subject.

STIMULATE GROUP BY SERVING AN INSTRUCTIONAL COCKTAIL

RECIPE

Use The Three B's (Bubbles)

○ ***Base*** instruction on problems at learners level.

○ ***Blend*** instruction with job experience.

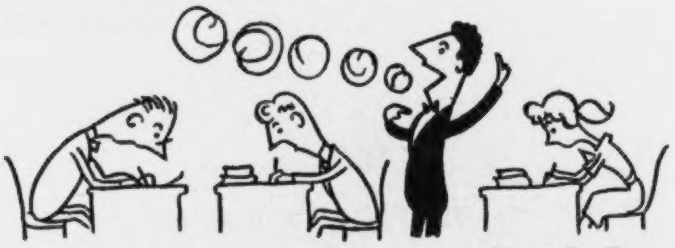
○ ***Brighten*** instructions with variety of ***illustrations, investigations*** and group ***participation.***

FOUR BASIC STEPS OF INSTRUCTION

Instructing is like selling - -

Selling	**Instructing**
1. Approach customer Promptness Put at ease Awaken ***interest***	1. Prepare the group Start on schedule Put group at ease ***Awaken*** interest
2. Present merchandise or service Select merchandise to fit need Show one item at a time Demonstrate ***selling points***	2. Present information Gauge material to needs Present one point at a time ***Show, illustrate, question***
3. Have customer take part Get merchandise into customer's hands Let customer "try on" merchandise Answer questions and meet objections	3. Have group participate Get group to ***discuss*** Have members ***demonstrate*** or ***use*** ideas Answer questions and correct errors
4. Bring sale to close Help customers decide; ask: "which" "for whom" "when" Be sure merchandise fits need Summarize points of care and use Handle mechanics of sale Pave way for return visit	4. Bring meeting to a close Check on understanding; ask: "why" "how" "when" "what" "where" "who" Be sure group now can use information Summarize "take away" ideas Make a definite conclusion Pave way for next session

How To Deal With "Difficult Customers"



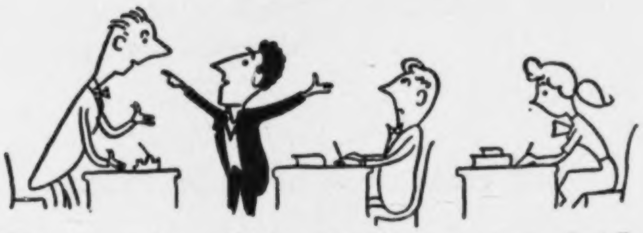
What To Do

THE "MOUTH"—wants to do all the talking.

Take the play away from him by asking others to comment on his remarks.

Deliberately turn to others and ask for their opinions. Avoid looking at him.

Tactfully ask him to give someone else a chance, or talk to him in private.

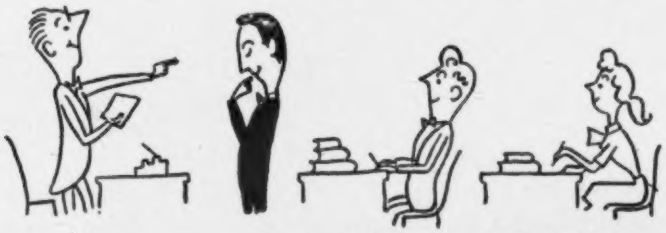


THE "ARGUER"—constantly tries to catch you up.

Keep cool. You can never "win" an argument. Always make him back it up. Ask for evidence.

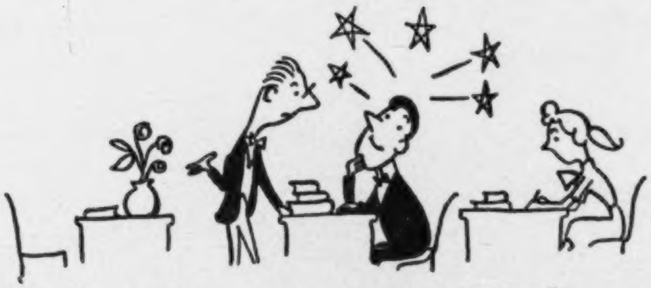
Avoid getting personal.

Refer the question to the group and then to him.



THE "MOUSE"—is in every group.

Call him by name and ask him for an opinion. Ask him an easy question he is sure to answer well, then praise him. This person is worthy of your attention.



THE "SO-WHATER"—is disinterested.

Point up something he has done as a good example of the point being stressed. Ask direct questions affecting his work.

LESSON PLAN

TOPIC: MANAGING TO SELL

OBJECTIVES: To specify the sales functions in a small company.
To show the need for sales training.
To indicate ways to improve the selection, training, motivation and evaluation of sales personnel.

SESSION CONTENT	TIPS AND APPROACHES
I. INTRODUCTION	
A. Importance of sales function	Discuss
B. The need for improved sales management	
II. SALES ORGANIZATION	
A. Dividing the work 1. By product line 2. Selling full line 3. By territories	
B. Job descriptions	
C. Coordinating activities	
III. SELECTION	Visual No. 1 Use progressive disclosure technique (i. e. use piece of cardboard or paper to cover visual, uncovering parts of the visual as you talk about them.)
A. Type of salespeople wanted	Distribute Handout Sheet No. 1
B. Recruiting applicants	Visual No. 2
C. Evaluating applicants	
D. Indoctrinating applicants	
IV. SALES TRAINING	
A. Need for training 1. General need 2. Particular needs for retail and service businesses	Discuss

B. Salesmanship can be taught	
C. Definition of selling	Wanamaker story, this manual page 16
D. Fundamental areas of knowledge	Write on chalkboard: Know Yourself Know Your Company Know Your Product Know Your Customer
1. Know yourself	Visual No. 3 Progressive disclosure
a. Appearance	
b. Personality	Visual No. 4 "The 'U' comes before 'I' in business"
c. Intelligence	Return to visual no. 3
d. Tact	
e. Integrity	
2. Know your company	Visual No. 5 Progressive disclosure
a. History	
b. Objectives	
c. Organization	
d. Policies	
e. Operations	
f. Competition and the industry	
3. Know your products	Visual No. 6
a. Historical information	
b. Source or composition	
c. Uses	
d. Special features	Use "hammer" illustration, page 20
4. Know your customer	Visual No. 7
a. Physical characteristics	
b. Interests	
c. Buying motives	
d. Sources of information	
E. The selling process	
1. The need for salesmanship	
2. The selling process	Visual No. 8 Discuss

ES OF FRANCHISE
Y INFORMATION

PERS

ATIONS

PUBLICATIONS

XHIBITIONS

ARKETING AGENCIES

S REPRESENTING
CHISE INDUSTRY

MAJOR SOURCES OF FRANCHISE OPPORTUNITY COUNSEL

CHAMBERS OF COMMERCE

COMMUNITY BUSINESS DEVELOPMENT COUNCILS

CREDIT BUREAUS

BETTER BUSINESS BUREAU

FRANCHISE MARKETING AGENCIES

BANKERS

LAWYERS

FRANCHISE INDUSTRY ASSOCIATIONS

Focal Points On

FRANCHISING

TOPIC EIGHTEEN

Management Development Program
SMALL BUSINESS ADMINISTRATION

13A

WHAT TO WATCH OUT FOR IN A FRANCHISOR

FRANCHISORS:

1. WHO GROSSLY EXAGGERATE POTENTIAL EARNINGS TO ATTRACT FRANCHISEES
2. WHOSE COSTS FOR EQUIPMENT AND SUPPLIES ARE OUTRAGEOUSLY HIGH
3. WHOSE ROYALTY OR OTHER FINANCING CHARGES ARE EXHORBITANTLY OUT OF PROPORTION TO SALES VOLUME
4. WITH A RECORD OF BUSINESS FAILURES
5. WHOSE SELECTION OF NEW SITES IS HAPHAZARD
6. WHOSE AGREEMENTS DO NOT ALLOW THE FRANCHISEE FREEDOM TO MAKE BASIC DECISIONS
7. WHICH GIVE CERTAIN FRANCHISEES PREFERENTIAL TREATMENT
8. WHOSE REAL BUSINESS IS ONLY IN SELLING FRANCHISES
9. WHO DECEPTIVELY MINIMIZE THE COST OF DOING BUSINESS
10. WHO ACCEPT AS FRANCHISEES PERSONS LACKING THE BASIC SKILLS,EDUCATION OR PERSONALITY TO EVER SUCCEED
11. WHO FAIL TO PROVIDE PROPER TRAINING AND CONTINUING SUPERVISION

GPO 864-591

MAJOR SOURCES OF FRANCHISE OPPORTUNITY INFORMATION

DAILY NEWSPAPERS

TRADE PUBLICATIONS

FRANCHISING PUBLICATIONS

FRANCHISOR EXHIBITIONS

FRANCHISE MARKETING AGENCIES

ORGANIZATIONS REPRESENTING THE FRANCHISE INDUSTRY

MAJOR SOURCE
OPPORTUN

CHAMBERS OF

COMMUNITY B

CREDIT BUREA

BETTER BUSIN

FRANCHISE MA

BANKERS

LAWYERS

FRANCHISE IN

13B

What to look for in:
A FRANCHISOR;

1.FINANCIAL STABILITY

2.PRODUCT SALEABILITY

3. SPECIFIC TERRITORY

4.FIRM AND EQUITABLE CONTRACT

5.CONTINUING ADEQUATE ASSISTANCE

SOME ADVANTAGES FRANCHISING

1.OPPORTUNITY TO BEGIN A BUSINESS WITH LIMITED MANAGEMENT EXPERIENCE AND CAPITAL INVESTMENT, AND WITH BUILT-IN SAFEGUARDS

2.ASSISTANCE IN MAINTAINING A STANDARD QUALITY OF PERFORMANCE

3.BUSINESS TRAINING AND CONTINUED ASSISTANCE FROM EXPERIENCED MANAGEMENT

4.CHAIN BUYING POWER

5.PROVEN METHODS OF DOING BUSINESS

6.WELL DEVELOPED CONSUMER IMAGE AND GOODWILL AT START

7.

8.

9.

10.

11.

12

NTAGES FRANCHISING CAN OFFER THE FRANCHISEE

EGIN A BUSINESS WITH
IT EXPERIENCE AND
T, AND WITH BUILT-IN

NTAINING A STANDARD
MANCE

AND CONTINUED
XPERIENCED MANAGEMENT

ER

F DOING BUSINESS

NSUMER IMAGE AND
T

7. COMPETENTLY DESIGNED FACILITIES, LAYOUT, DISPLAYS, FIXTURES
8. PROVEN AND WELL-KNOWN PRODUCTS AND SERVICES
9. RECORD KEEPING, ACCOUNTING AND INVENTORY CONTROL ASSISTANCE
10. NATIONAL PROMOTION AND PUBLICITY TIE-IN
11. STRENGTHENED FINANCIAL AND CREDIT STANDING
12. FAVORABLE INCOME POTENTIAL WITH LOW RISK OF FAILURE

SOME DISADVANTAGES OF FRANCHISING TO THE FRANCHISEE

CONSIDER THESE PROVISIONS:

1. FRANCHISE FEES-INITIAL AND CONTINUING
2. SHARING PROFITS WITH FRANCHISOR
3. SUBMISSION TO IMPOSED STANDARDIZED OPERATIONS
4. REQUIREMENT TO MAINTAIN ASSIGNED SALES GOALS
5. LACK OF FREEDOM TO INTRODUCE ADDITIONAL PRODUCTS TO FRANCHISOR'S MERCHANDISE OR SERVICE LINES
6. TIME REQUIRED IN PREPARING PERIODIC REPORTS FOR FRANCHISOR
7. CONTRACTS SLANTED TO THE ADVANTAGE OF THE FRANCHISOR, IN SOME FRANCHISE AGREEMENTS
8. RESTRICTED CONTROL IN MAKING MANAGEMENT DECISIONS

a. Attract attention	
b. Gain interest	
c. Create desire	
d. Establish confidence	
e. Secure action	
3. Parts of the sales interview	Visual No. 9 Progressive disclosure
a. Preapproach	Discuss
b. Approach	
c. Presentation	
d. Handling objections	
e. The close	
4. Retail selling--a special case	Discuss
V. MOTIVATION	
A. Leadership	Have group define leadership, discuss
1. A leader must be:	
a. Sincere	
b. Fair	
c. Objective	
d. Consistent	
2. Effect of good leadership	
a. Good morale	
b. Respect	
c. Mutual trust	
d. Voluntary cooperation	
B. Sales meetings	
1. Purposes	Discuss
a. Inform	
b. Train	
c. Motivate	
2. Pointers on handling meetings	List on chalkboard
a. Don't cover too much	
b. Allow sufficient time	
c. Provide variety	
d. Change the pace	
e. Use showmanship	
f. Don't forget visual aids	
g. Check details	
h. Seek neutral atmosphere	

i. Prevent interruptions	
j. Stress product knowledge	
k. Emphasize future plans	
l. Encourage two-way discussion	
C. Sales contests	
1. Establishing contest	Discuss. List on chalkboard
a. Set up purpose	
b. Develop scoring method	
c. Select theme of contest	
d. Promote contest	
e. Award prizes to "win the winner" but not "lose the loser"	
2. Types of awards	Visual No. 10
a. Need not be costly	Discuss
b. Honor may be as important as dollar value	
c. Examples:	Ask class for further examples
(1) Trading stamps	
(2) Merchandise	
(3) Public recognition	
D. Compensation	
1. Importance of compensation	
2. Types of compensation plans	Explain merits of each
a. Straight salary	
b. Straight commission	
c. Combination plans	
3. Characteristics of a good compensation plan	Visual No. 11 Discuss
a. Control	
b. Incentive	
c. Flexibility	
d. Simplicity	
VI. EVALUATION	
A. The need for a systematic method	
B. Job description	
C. The use of rating scales	Handout No. 2

VII. SALES FORECASTING AND PLANNING	
A. The sales departments role in forecasting	
B. Short-term vs. long-term forecasts	
C. Statistical techniques and assistance	
D. Typical forecasting factors	List on chalkboard
1. Company sales history	Have class cite further factors important in their businesses
2. Market trends	
3. Sales of individual products or lines	
4. Population trends	
5. General business conditions	
6. Prices	
7. Government expenditures	
E. Sources of forecasting information	List on chalkboard
1. Company records	
2. Government publications	
3. Trade associations	
4. Daily newspapers	
5. Universities and colleges	
VIII. SALES CONTROL Control of sales requires coordination and control of all the functions of sales management	
A. Organizing	Visual No. 12
B. Selecting	Progressive disclosure
C. Training	
D. Evaluating	
E. Leading	
F. Motivating	
1. Meetings	
2. Contests	
3. Compensation	
G. Forecasting	
IX. CONCLUSION	Hand out Focal Points

MANAGING TO SELL

INTRODUCTION

Selling is one of the oldest professions. And it has been instrumental in bringing about many of the advances of civilization through the centuries. Much of the need to communicate and travel has been brought about by the desire to sell. For example, Marco Polo opened up communications and cultural exchange with the Orient because of his quest for trade with the Far East. The barter system and the introduction of money occurred because of our needs to exchange goods--to buy and sell. Selling has done much to improve our standard of living; and this is as true today as it was 100 years ago.

Few people would dispute the fact that selling is an important part of virtually every business. But all too few small-business men pay sufficient attention to sales management or the selling process.

The owners or managers in a good many small companies assume all of the duties of sales management. Consider, for example, the case of the clothing buyer who decided to go into business for himself. He had been quite successful as the head buyer for a large department store and he really knew his business. He opened his own dress shop and stocked it with the latest fashions. But he didn't know how to sell; and more important, he didn't know how to manage salesmen. He was not able to attain a sufficient sales volume, and he had to close his doors within a year of his opening. An owner may start his business with production know-how, financial training, or even selling experience; but he seldom has a background in sales management. Therefore, most small-business managers should profit from a study of selling and sales management.

The manager, or someone designated by him, in a small business is responsible for the selection, training, and motivating of the salesforce. He is also concerned with compensation, organization, budgeting, forecasting, pricing, and product policy. All of these functions must be combined into an integrated program to insure the success of the sales effort.

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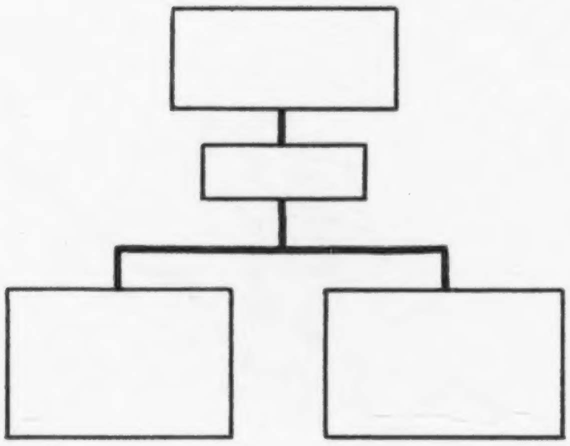
SALES ORGANIZATION



One of your first considerations as sales manager is organization. Essentially, you are concerned with the organizing of activities as well as people. In other words, you must think about how to divide up the work.

If all of your firm's sales are made in the store, you will not have to worry about territory assignments. But you will have to consider other organization problems. If special knowledge of the merchandise is needed or if you have a wide line of merchandise, you may want to divide the selling work by merchandise line. An example of this procedure is the hardware store that assigns one salesman to sell power tools and another one to sell garden supplies. On the other hand, if you are only selling a few products or services and you want the flexibility of having any salesperson able to serve any customer, you may decide that all of your salespeople will sell the entire line of goods you stock.

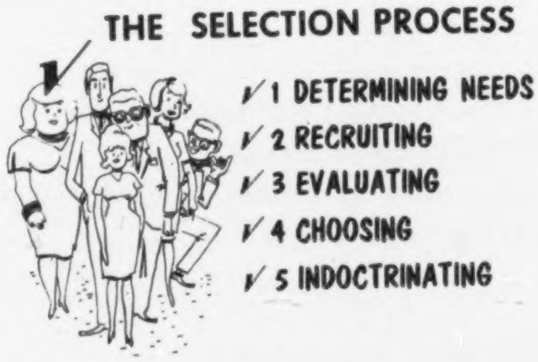
If you employ outside or route salesmen, you will have to give thought to assigning sales territories. Some firms do not assign territories--leaving their whole market area as a no man's land. They reason that the salesman will be motivated to do a harder job of selling if he doesn't have a protected territory in which to work. However, this practice often leads to duplication of effort, with perhaps two or three salesmen from one company calling on the same customer. Most firms employing outside salesmen do assign sales territories. They feel that this procedure gives them more control over sales effort and allows them to more accurately evaluate the performance of each salesman.

You will also want to determine which nonselling functions you will expect your salesmen to perform. This means that you will want to prepare a job description, or a listing of the duties associated with the job, for each of the positions in your organization. This will help you organize your sales effort and also aid you in selecting and evaluating your salespeople.

Job descriptions will help the manager organize the sales activities. However, you must also understand how these activities affect other management tasks. You will want to coordinate sales activities with other marketing functions such as advertising and sales promotion; and you must recognize the necessary interaction between sales and the financing, purchasing, and personnel areas of the business. In other words, the actions of the sales department must harmonize with those of other parts of the business if you are to efficiently reach your company's objectives.

SELECTION

Once your organization structure is established, you can turn to the question of what kind of people are needed for the sales jobs. Of course, you will have to know what the jobs entail before you can set up any selection criteria. The preparation of job descriptions will also help you with this problem.



Visual No. 3-1

Kenneth Lawyer wrote a publication for SBA entitled Sales Training for the Smaller Manufacturer[1] in which he offered an outline of a typical job description for a salesman. An adapted version of this outline is reproduced below. (It may also be used as a handout to course participants. See Supply Department Section.)

Some suggested duties to consider in a general sales job description are:

Sales:

Sell the line, demonstrate.
Handle questions and objections.
Check stock--discover new product uses.
Interpret sales points of the line to the customers.
Estimate customers' potential needs.
Emphasize quality.
Explain company policies on price, delivery, and credit.
Get the order.

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[1] Kenneth Lawyer, Sales Training for the Smaller Manufacturer, pp. 5-6.

Service:

Install product or display.
Report product weaknesses, complaints.
Handle adjustments, returns, and allowances.
Handle requests for credit.
Handle special orders for the customers.
Establish priorities, if any.
Analyze local conditions for the customers.

Sales promotion:

Develop new prospects and new accounts.
Hand out literature, catalogs, desk pieces.
Know and use company's advertisements and promotions.
Evaluate effectiveness of company's advertising programs.

Executive:

Each night make a daily work plan for the next day.
Investigate lost sales and the reasons for losses.
Be alert to new product developments, trends, new objections met, and new ideas on meeting objections.
Attend sales meetings.
Build a prospect list.
Collect overdue accounts; report faulty accounts.
Collect credit information.
Prepare and submit special reports for management on sales, inventory, competition, credit, and purchasing needs.

Good will:

Counsel the customers on their problems.
Maintain loyalty and respect for firm represented.

Of course, not all of the functions and job details listed in this outline are applicable to any one job or any one company. But you may wish to use it as a framework and make your own specific adaptations to it.

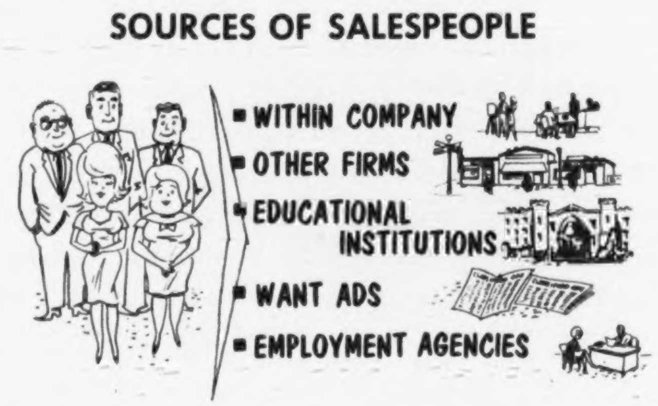
There are several general characteristics of good salesmen that you can look for in a job applicant. You would certainly want answers to these questions concerning the applicant:

How old is he (or she)?
Is he in good health?
What is his educational background?
How much and what kind of experience has he had?
What kind of personality does he have?

It is dangerous to try to stereotype a good salesman, but you should develop some idea of what you are looking for. In other words, you will have to translate the job description into "man specifications" or qualifications for the job.

After you have determined what kind of a person you are looking for, you will have to know where to find him. Good salespeople are hard to come by. They have no trouble finding jobs, and there is a heavy demand for them. You will have to pay more to attract good salesmen, but the cost may be worth it.

There are several sources of good salespeople available to small-business men. In many cases, qualified sales applicants are found among the present employees of the company. In fact, some firms hire people for stockroom, clerical, and office jobs with the idea of promoting them to sales jobs when they have proved themselves. Another source of salespeople is other companies. You may wish to contact salesmen currently working for customers, competitors, or noncompetitors. Educational institutions offer another source of prospective salesmen; not only colleges and universities, but also high schools, trade schools, and correspondence schools have placement offices that can be of service to you. Of course, you can advertise for applicants in several media. Newspapers, school papers, and trade journals have proved most effective in attracting qualified prospects. There are several other sources such as voluntary applicants, employment agencies, and recommendations from employees or customers.



Visual No. 3-2

The next step in the selection process is evaluating the prospects and choosing from among them. The application form is one of the most useful tools in getting the needed information and evaluating it. This gives you a written record, in the applicant's own words and handwriting, of his qualifications. In a small business, the application blank need not be a fancy lithographed form; it may be only a 3 x 5 index card on which the applicant answers the questions you want to ask him. The important thing is that you have a written record which you can compare with those of other applicants in making your evaluation.

The most common evaluation device used by small-business men is the interview. Here, in addition to obtaining his physical characteristics, you can evaluate the prospect regarding less tangible characteristics such as personality and character. The interviewer must be observant and objective in conducting the session.

For best results, the interview should be carefully planned ahead of time. Some managers prepare a checklist of questions to ask in the interview. This insures that they don't omit an important question, and it helps them evaluate the applicants in a consistent manner.

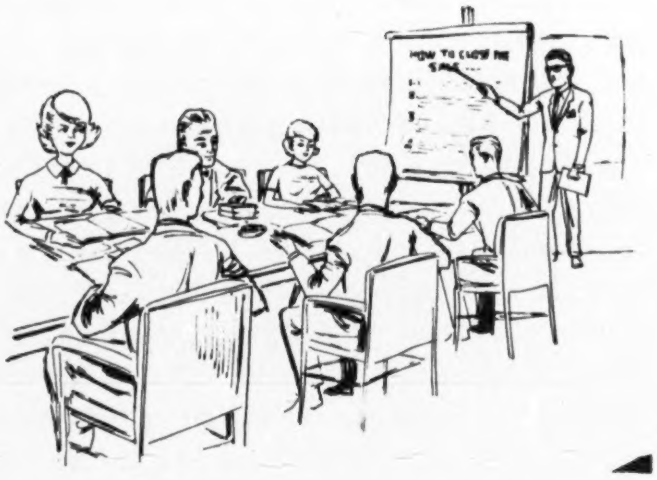
Some companies use tests as a screening device. Many tests--both intelligence and personality tests--are available. Examples of generally accepted tests are the "Otis Employment Test," which tests general mental ability, and the "Kuder-Preference Record," which helps determine the applicant's major area of interest. There are also tests available which measure the potential selling ability of the applicant. The "Salesman Classification Test" developed by the Personnel Research Institute of Western Reserve University is a good example of this. Other evaluation tools that are sometimes employed are the use of references and physical examinations.

If you do use tests, there are a couple of warnings you should heed: (1) make sure the test measures what you want to measure, and (2) don't use tests as the only selecting device when you are evaluating a job applicant.

Remember, the applicant is being considered for a selling job. The manner in which he sells himself to you during the selection procedure is an indication of his ability as a salesman.

The process is not completed by the hiring of an applicant. The new employee must be indoctrinated into the company and his job. You don't just send him out to meet the next customer and tell him to sell. He should be introduced to his fellow workers and be made aware of general company rules and policies. You should also make sure that he understands all the duties and responsibilities of his new job. Help the new man get started on the right foot. A good start will aid in developing a productive, long-term employee.

SALES TRAINING


HOW TO CLOSE THE SALE

You can spend a lot of time, money, and effort in the selection process; but it may be wasted if you don't follow that good start with a continuous training effort. Sales training can be the single most important factor in a successful selling operation. The poor public image that salesmen have today is, in large part, due to the fact that many salespeople are untrained or improperly trained in the art of selling.

Sales training is particularly vital to the small-business man. The majority of small businesses is engaged in retail sales; and it is in precisely this field that the poorest selling job is being done today. Part of this poor showing is the result of the low pay offered retail salesclerks. These people are often paid a straight salary, and one that is insufficient to attract competent personnel. But poor pay is only part of the story. An equally important reason for the sorry state of retail salesmanship is the lack of training and guidance given the salesforce.

How can salesmanship be improved? Some managers think it can't and offer as a solution the use of self-service shopping. The ultimate example of this, of course, is the store composed entirely of vending machines. The large manufacturers are quite aware of the problem of inadequate retail selling, and many of them are allocating greater sums of money to their advertising budgets in an effort to presell their products--thus reducing the retail salesman to an order-taker. However, salesmanship can be improved--by the use of effective sales training--and you should take advantage of this fact.

There is a popular saying to the effect that salesmen are born, not made. If this were true, sales training would not be necessary; you would just hire the born salesman, if you could find him, and let him sell. However, this is not the case. While it is true that some people learn the art of selling easier and faster than others, salesmanship can be taught. With proper training, almost anyone can become a competent salesman. And, regardless of how much natural sales ability a man might possess, there is no one who could not benefit from additional sales training.

Perhaps one of the reasons for inadequate sales training is that managers are not fully acquainted with the selling process. What is salesmanship? John Wanamaker, the famous Philadelphia retailer, was interested in this question. He wanted to improve the level of salesmanship of his employees; and for this reason, he sent for a certain teacher of salesmanship. After listening to him, Wanamaker said, "Now I have your story. Your statements have been general, but I want to ask you one question. What is the center of your proposition, your type of sales training?" The man replied, "The center is my definition of salesmanship, which is: the art of persuading men to buy what you have to sell." The great merchant sat quietly for a moment and then said, "That will be all. I do not think I am interested in your proposition." Then he sent for another expert in sales training work and asked him the same question, to which the reply was, "My definition of salesmanship is this: the art of so successfully demonstrating the merits of the goods and the service of a house that a permanent customer is made." Wanamaker immediately exclaimed, "Fine, that's exactly what I have been looking for."[1]

Good salesmanship emphasizes the service aspect of selling. You conduct a transaction that is mutually profitable and satisfactory, and gain a permanent customer.

How do you obtain customer satisfaction? There are four fundamental areas of knowledge that the salesperson must study to accomplish this:

- know yourself
- know your company
- know your product or merchandise
- know your customer

An effective manager needs to be familiar with these areas. Perhaps you can put on your "selling hat" and picture yourself in the role of a salesman.

Know Yourself

First, as a salesperson, you must know yourself. You must be aware of the image you project to others, and this is not easy.

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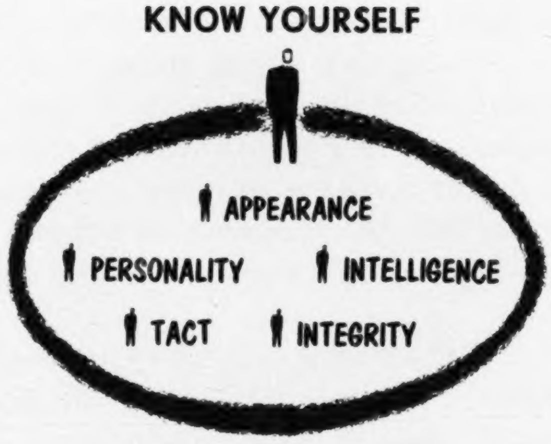
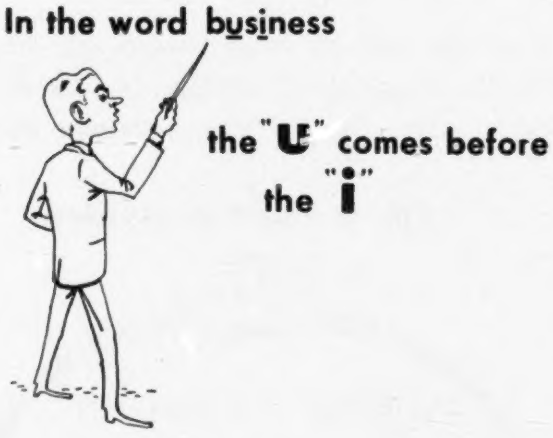
[1] Frederic A. Russell, Frank H. Beach, and Richard H. Buskirk, Textbook of Salesmanship, p. 19. McGraw-Hill Book Company, Inc.

You have to be conscious of your physical appearance. Your clothes should be appropriate. Of course, they should be clean and well-pressed; and they should be of current style and in good taste. Careful detail should be given to your person--this includes cleanliness of body, teeth, nails, breath, and hair. You should stand erect and assume a posture that inspires confidence.



Visual No. 3-3

Your voice should be even and well-modulated. Your conversation habits are important too. If you talk about yourself, you will probably be thought a bore. If you talk about others, you are a gossip. But if you talk about the person you're talking to, that customer will think you are a brilliant conversationalist. Remember, in the word "business," the "U" comes before the "I."



Visual No. 3-4

As a good salesman, you must also be aware of your personality, and its effect on others. You must try to know your own biases and attitudes, and attempt to improve them in order to maintain good relations with the customer. Although an extrovert or outgoing personality is an asset in most types of selling, it is not essential. However, to be successful in selling, you must have a genuine desire to be of service to your customers.

Many selling tasks require people with a high degree of common sense. Obviously, if the salesman deals with customers who are highly intelligent, he will usually fare better if he has a high I. Q. Even if he doesn't sell to geniuses, intelligence and resourcefulness will improve his sales effort.

To be a successful salesman, you must also score high on social intelligence. You must exhibit tact, diplomacy, judgment, and a knack for knowing the right thing to do at the right time. You should be an earnest observer of human nature, and you must learn to be a good listener. The good salesman never loses his temper nor argues. You will never make a sale by arguing with the customer. Teddy Roosevelt was said to be opposed to school debating teams because he felt they placed too much stress on arguing.

Of course, it goes without saying that you must possess honesty, integrity, and a dedication of purpose. Some of these traits can be learned, but some of them are inherent in the individual. Obtaining salespeople with desirable personal characteristics can be a matter of selection rather than training, but no one has a perfect selling personality, and all can benefit from some training in this area.

Know Your Company

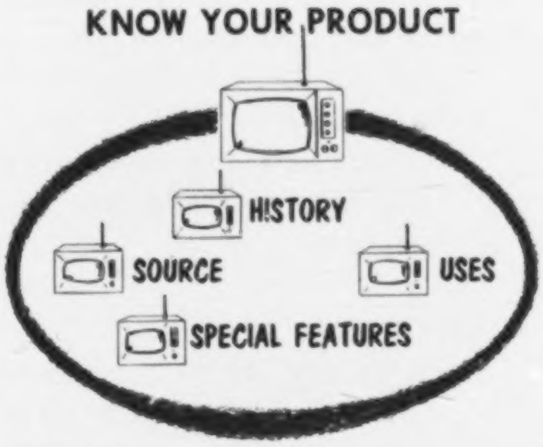
As a progressive salesman, you should have a thorough knowledge of the firm you represent and a complete familiarity with its policies and procedures. For example, you should know some of the history of the firm you work for, such as when and why it was started. You should also know its present goals and objectives. You should be aware of the organizational framework of the firm. You should know who the officers and managers are and have an accurate picture of the departmental structure and relationships that exist. You should be well-versed on the various company policies such as those concerning customer service, sales, advertising, and, of course, personnel. You should know the rules and regulations that apply to work schedules, uniforms and equipment, credit and collection, and inventory control. In addition to all of this, you should have some knowledge of the industry or trade in which your company operates and of the competition in this business field.

KNOW YOUR COMPANY
HISTORY
OBJECTIVES
POLICIES
RULES
ORGANIZATION

Visual No. 3-5

Know Your Product

Merchandise knowledge is essential to good salesmanship. Nothing is so futile and ineffective as trying to sell a product that you know nothing about. Yet you see this type of situation almost every day. The fact that this occurrence is so common points to the fact that managers are not training their salesforce in the area of product information.



Visual No. 3-6

It isn't always necessary or even useful to know everything about all of your merchandise. If you are selling in a variety store, a general knowledge of the merchandise and where it is kept is probably sufficient. But when you are selling expensive or complicated and technical products, knowledge of the merchandise can be a valuable sales asset.

You may want to know something of the history of the merchandise--its invention or discovery, its development, its improvement. You may find it useful to know:

The quality of ingredients,
The method of construction,
The manufacturing process used,
Who makes the product, and
The local sources of supply.

You should recognize and appreciate the uses of the product. You should know about such things as the performance, endurance, safety, and adaptability of the merchandise, so that you can show how it fills the needs of the customer.

You should also be aware of any special features the product may possess that makes it different from other similar merchandise on the market. You should be able to interpret these features into benefits for the customer.

Perhaps an example would underscore the effectiveness of adequate product knowledge. Suppose you are in the market for a hammer, and you visit two hardware stores in search of this tool. The salesmen in the two stores give you the following information.

> Salesman #1
>
> "Here are our hammers right here. This is a quality hammer. Yes sir, we sell a lot of these hammers...."
>
> Salesman #2
>
> "Let me show you our best quality hammer. It is made of crucible cast steel and is fully chrome-plated. This means the head will last a lifetime and it will not rust. The face and claws are tempered just right so the hammer will not crack or break. The claws are split to a fine point which means that you can easily pull even the smallest nail with it. Look at this handle. It is made of selected second-growth hickory for extra strength; and the handle has a quality mahogany finish. Notice that the handle is put in with an iron wedge so it will not come loose...."

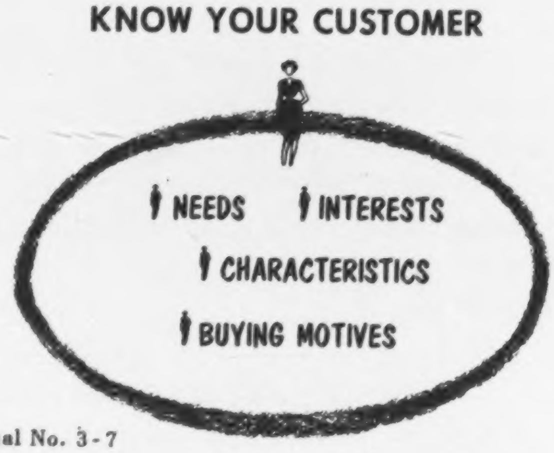
Now, at which store are you more likely to buy the hammer? Which salesman has really sold you? The choice is obvious, and in this case, it was knowledge of the merchandise that made the difference. And if product knowledge is useful in selling a common, everyday item like a hammer, think how much more important it can be in selling more complicated products.

You may say that a progressive salesman will gain product knowledge on his own initiative, but the truth is that few salespeople do. As a progressive manager you will want to see to it that product information is readily available to all of your salespeople, and is an important part of your sales-training effort. This can be done as part of a formal training program--on company time.

Many suppliers will furnish speakers and materials on product information, and some manufacturers have movies or slide presentations that you can show to your salesforce. You can encourage further employee self-help by furnishing brochures, bulletins, and trade journals for them to read. Encourage them to read the tags and instruction sheets that come with the product. This training can also be done informally on an on-the-job basis. Your interest in product knowledge will transfer to the salesforce, and your company will be doing a more effective job of selling.

Know Your Customer

Serving the customer is an important part of selling. To really satisfy the customer and sell her what she wants and needs, you will have to know something about her. A customer likes to be addressed by name; it boosts her ego and shows that the salesperson has an interest in her. Early in the sales interview, you should find out the customer's name and learn to spell and pronounce it correctly. It may be useful to know the prospect's approximate age, education, and tastes. You may want to find out where the customer lives, facts concerning her family, her group associations such as clubs and church membership, her interests, hobbies, and personal peculiarities. The salesman will also need to know the prospect's ability to pay as well as her authority to buy.



Visual No. 3-7

Knowing the customer allows you to give her more personal attention--the kind of attention she doesn't get in a large impersonal store. This builds up customer loyalty to your business. Even when her purchase is a small one, it may lead to additional sales if the customer feels she is getting personal attention. For example, a lady came into a sewing machine store to buy a spool of thread. The salesperson was friendly, showed real interest in her, and took the time to help her determine the type and color thread she needed. Evidently she liked the store and the interest shown her, because three weeks later she returned and bought a sewing machine.

To successfully determine the customer's needs, her buying motives should be determined. There are many reasons why people buy, for example:

Physical pleasure,
Comfort or avoidance of effort,
Physical and mental health,
Esthetic pleasure,
Play or relaxation,
Self esteem or pride,
Status,
Imitation or emulation,
Money gain,
Acquisitiveness,
Romantic drive,
Social needs,
The creative urge,
Desire for justice,
Sense of duty,
Caution, and
Fear.

The list of possible buying motives is practically endless, but the more you know about the customer's buying motives, the better you can satisfy needs. Once you have discovered why the customer buys, you can tailor your presentation by focusing on the talking points or product features that complement those motives. Or, in the words of Elmer Wheeler, a master salesman and author, "Sell the sizzle, not the steak."

There are several sources of information concerning the customer and her reasons for buying. A great deal can be learned about the customer from other salesmen or businessmen, from observantly reading the local newspapers, and from other customers or friends of the customer. The customer is the prime source of information, if only the salesman will stop talking long enough to listen to her and observe her reactions. It is always important to be a good listener; remember, it is difficult to learn anything while you're doing the talking. If the salesman can learn to listen and to visualize himself in the position of the customer, he can more readily determine her buying motives.

The Selling Process

In addition to studying these fundamental areas of knowledge, the salesman should have a full understanding of salesmanship and the selling process. Skill in practicing the art of salesmanship often marks the difference between a salesman and an order-taker. However, even though selling is more of an art than a science, the selling process can be analyzed, taught, and learned. As a manager of salesmen you should know the selling process and you should know how to teach it to your salesmen.

What is the selling process? Selling can be divided into a five-step process.

1. Attract the attention of the prospect.

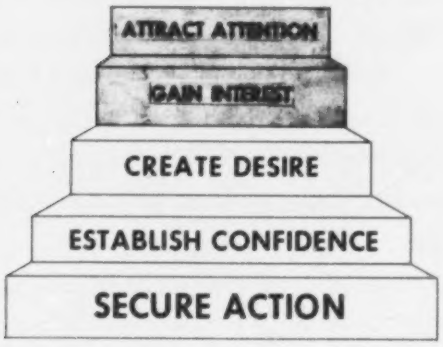
2. Gain the interest of the prospect in your sales proposition.

3. Create a desire in the prospect for your product.

4. Establish confidence or conviction in your proposition.

5. Secure action by the customer.

FIVE STEPS OF SELLING



Visual No. 3-8

Five Essential Parts of the SALES INTERVIEW

❶ PREAPPROACH
❷ APPROACH
❸ PRESENTATION
❹ HANDLING OF OBJECTIVES
❺ CLOSE

Visual No. 3-9

This process can be translated into a five-part plan or procedure for carrying out the sales interview: the preapproach, the approach, the presentation or demonstration, the handling of objections, and the close.[1] The five parts of this procedure correspond to the five parts of the selling process. Here is how the selling process is incorporated into the selling procedure. The salesman:

attracts attention through the preapproach,
gains interest by his approach,
creates a desire with his presentation,
establishes confidence by answering objections, and
secures action by closing the sale.

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[1] Frederic A. Russell, Frank H. Beach, and Richard H. Buskirk, Textbook of Salesmanship, pp. 233-7. McGraw-Hill Book Company, Inc.

These five parts may be found in the selling procedure of almost any successful sales interview. However, in retail selling, the customer usually comes to the store. She does so because of some advertisement or because she wants something she believes the store is selling. Therefore, when she enters the store, we can usually assume that her attention and interest have already been aroused. In most retail situations, then, the preapproach and approach are of minor importance and the salesman can focus on the last three steps in selling--making the presentation, answering objections, and closing the sale. On the other hand, when the salesman is dealing with a regular customer, some of the preapproach and approach activities can be achieved over a period of time and he can gain some knowledge of the customer and her interests. So let us look at the whole selling process:

Preapproach - The main purpose of this first step is to secure enough information about the prospect to make an effective approach. The salesman should discover every fact of value to him in making an effective approach and in quickly securing the prospect's favorable attention and interest. The preapproach may be likened to research or planning for the sales interview. Notice that the stress is on obtaining information about the customer.

Approach - In the approach, the objective is to gain the interest of the prospect and to put her in a receptive frame of mind. There is usually a continuation of the preapproach in the first few minutes of the approach. No matter how thorough the salesman may have been in the preapproach, there are normally a few facts which he will have to learn when he is face to face with the prospective customer. Furthermore, there may be facts discovered in the preapproach that should be verified or corrected.

The salesman must sell himself before he can sell his product. The customer must be interested or favorably impressed by the salesman before she will even talk to him. Did you ever brush-off a salesman before allowing him to state his proposition simply because he made an unfavorable first impression? If the salesman expects to have his sales proposition heard, he will have to project a favorable image. This, of course, stresses the importance of the salesman knowing himself.

Presentation - After gaining the attention and interest of the prospect he can now go to the presentation. The aim of the presentation is to create in the prospect a desire for the merchandise or service. The salesman paints a picture of the customer's satisfaction in obtaining this product or service. He helps the prospect see the disadvantages of her present position and see how his sales offer would overcome them. Desire is aroused by showing the advantages, now being missed, that could be gained by accepting the sales proposal. It is important to determine the customer's buying motives at this stage.

The presentation or demonstration is usually effective if the salesman physically demonstrates the merchandise. A proper demonstration will bring into action more of the customer's senses, whereas in a verbal presentation only the sense of hearing, and perhaps of sight, is used. Where it is feasible, the customer should be allowed to touch, handle, or operate the product so that she can fully appreciate its value. Obviously, effective presentation or demonstration leans heavily on the salesman's knowledge of the merchandise.

Handling objections - Different kinds of objections arise all through a sales interview. For example, in the approach the prospect may object to even talking to the salesman or taking time to hear his presentation. This can happen because the prospect does not know enough about the salesman and his product to have any interest in them or desire to know about them. Later in the interview, providing this interest is aroused, a prospect may object to various features of the offer such as price, appearance, size, and terms. Unless the major reasons for not buying are removed from the prospect's mind, the sale cannot be consummated successfully.

In handling objections, the salesman must gain the confidence of the customer--in himself, the company he represents, and the product or service he is selling. He must convince the prospect of the value of his proposition. However, he must never argue with a customer--even if her objection is based on mistaken ideas about his merchandise. He must exhibit tact and patience in dealing with customer objections. For example, if a customer were to say, "I like the style of your shirts, but nylon is so hot to wear," the salesman might reply, "Yes, nylon has always been hot to wear, but our new loose-weaving process allows the nylon fabric to breathe and makes it much cooler to wear." This way of handling objections is called the "yes... but" technique (... Yes, nylon has always been hot to wear, but ...). It allows the salesman to educate the customer and answer objections without actually contradicting her. Any good salesmanship textbook will list other techniques for handling objections, but the major rule is: use tact and don't argue. In addition, knowledge of the product, the company, and himself are important to the salesman in this step.

Closing - When the salesman feels he has met the customer's objections, he should attempt to close. He should be prepared to close at any time during the interview. The last three parts of the sales interview--the presentation, handling objections, and closing--are all tied together. It is often impossible to tell where one part ends and the next begins. For example, a salesman makes a strong talking point for his product in an effort to make the prospect dissatisfied with her present conditions; the prospect voices an objection. If the salesman answers the objection to the full satisfaction of the prospect, a close might be attempted immediately.

The purpose of the close is to secure action on the part of the customer--specifically to induce her to buy. It is surprising how often this vital step is omitted or slighted by ineffective salesmen. There is a great deal of truth in the statement, "If you can't close, you can't sell." All the previous planning and effort is wasted if the salesman cannot close effectively.

Some salespeople are afraid to attempt a close for fear they will be rebuffed, and the effort will result in failure. Perhaps using the words "trial close" instead of just "close" would clear up the misunderstanding that is usually behind this fear. A single close is not necessarily final. A good salesman may be required to execute several trial closes before he actually makes the sale. A negative reaction to a trial close simply means the customer is not ready to buy. In many cases, further demonstration or answering of objections will clear the way for a successful close. For example, suppose the customer declines the bid for a close with the objection, "This is a nice coat, but it costs more than I can afford to spend now." The salesman can answer this objection with an explanation of his firm's easy-payment plan and pave the way for another trial close. A combination of knowing when to close and how to close, and a willingness to persist in closing attempts, will markedly improve a person's sales ability.

Not many customers will ask the salesman to let them buy. However, a number of closing devices are used to overcome the customer's normal inertia or procrastination. Some of the ways of closing a sale are:

1. Assume the sale is made - This is nothing more than the principle of positive suggestion. The salesman simply assumes, by word and action, that the customer has decided to buy. If the customer doesn't stop him, he has made the sale.

2. Close on a minor point - Since it is easier for a person to make a minor decision than a major one, the salesman helps the prospect avoid the major decision by substituting a minor decision. An example of this is the furniture salesman who closes with, "Would you prefer this lamp in blue or yellow?" or, "Do you wish to pay cash or to use our credit plan?" Give the customer a choice between something and something rather than between something and nothing.

3. Added inducement - Sometimes the salesman can close the sale with an added inducement. If the customer hesitates, he may offer free delivery, or free alterations, or a cash discount. This often stirs the customer to action.

4. Summarization - It is good salesmanship to summarize the main talking points in a closing statement. The selling points chosen for emphasis are the ones that seem to match the customer's buying motives.

5. Ask for the order - The most obvious, but often overlooked, method of closing is simply to ask for the order. Many customers like this frank, straightforward approach and react favorably to it.

There are many other closes that are effective in specific situations. Any good book on salesmanship will list several closing methods. (See bibliography.) The important thing to remember is that the salesman must close, and reclose if necessary, if he expects to make the sale.

These five parts of the sales interview are applicable to all selling situations. However, I would like to reemphasize the fact that the last three parts are of most interest to the retail salesman. If you are in a retail business, you will want to stress these three steps with your salespeople.

Remember, good salesmen are not necessarily born. They are the result of proper training. It is not necessary to have an elaborate training program and facilities to train your salesmen effectively. This can be accomplished informally on-the-job. The important thing is that the manager, as well as the salesman, realizes the importance of training and pursues it on a continuous basis.

MOTIVATION

MOTIVATION

Salespeople are much like everybody else in that they usually have to be motivated or stimulated to get them to put forth their very best effort. However, there are some special techniques of motivation that are particularly effective with sales personnel. In general, successful salesmen have a competitive spirit, and this can be appealed to in stimulating them. Still, the salesman has to have his battery recharged occasionally. He needs enthusiasm and persistence in his work, and these have to be rekindled periodically.

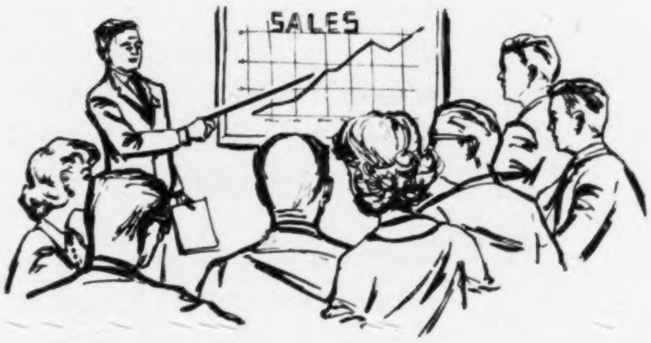
Leadership

As is true with any group of employees, salesmen react to the leadership of their manager. Leadership is a powerful motivating device. It can engender good morale, esprit de corps, and voluntary cooperation. Did you ever notice how some managers seem to inspire men to do their best, while others seem to inhibit motivation and good morale?

Good leadership does not mean cracking the whip or managing in an autocratic fashion. Nor does it necessarily mean being a "nice guy" or being excessively permissive. It does mean creating an atmosphere of respect, mutual trust, and voluntary cooperation. An effective leader is sincere, fair, objective, and consistent. He needs the self-confidence that allows him to admit it when he has made a mistake. To be sure, he needs the power and authority to command action, but he needs the influence that will eliminate the necessity of flaunting his authority. Good leadership needs to be practiced every day. It needs to be cultivated continually or it will go to seed.

Sales Meetings

One of the devices that works well in motivating salesmen is the sales meeting. Businesses of any size can benefit from good sales meetings. Some of the benefits lie in the training as well as motivating aspects. It need not be a full-blown sales convention; it may only be an informal meeting with one or two salespeople and the manager.



Regardless of how simple or complex your sales meeting may be, it will be more successful if you plan it in advance. Bernard C. Weirauch, vice president of sales of the Orr Iron Company, points this out in an SBA leaflet he wrote entitled Making Your Sales Meetings Profitable.[1] He suggests several points or approaches in handling a sales meeting that will help produce the desired effect:

1. Don't cover too many subjects. Thorough discussion of one or two related items is usually more fruitful than scratching the surface of a lot of material.
2. Allow sufficient time. Set up a reasonable timetable and stick to it.
3. Provide variety. The program should be varied and exciting enough to hold the attention of all enthusiastic salesmen.
4. Change the pace. Alternate speakers, demonstrations, films, and other approaches.
5. Use showmanship. Don't over-dramatize, but remember you are training your salesmen to demonstrate effectively. They may learn their showmanship from your example.

---

[1] Bernard C. Weirauch, SBA Management Aid No. 86, Making Your Sales Meetings Profitable. (See Supply Department Section for reprint.)

6. Don't forget visual aids. Such aids as flip charts, slides, cut-away models, flannel boards, and film strips can be important.

7. Watch out for little details. The presence or absence of chalk for the chalkboard, a working projector, thumbtacks, or an easel can make or break a presentation. A checklist of meeting preparations may prove valuable.

8. Seek a neutral atmosphere. Get your salesman away from distractions and into a comfortable, quiet location, furnished for the business at hand. For example, don't hold your meeting in the store between the men's shoes and ladies' ready-to-wear.

9. Prevent interruptions. Control incoming messages, visitors, and excessive movement of supplies and equipment.

10. Stress product knowledge plus sales training. Features must be converted into customer benefits.

11. Give the meeting a forward look. Emphasize future plans and developments.

12. Encourage two-way discussion. Sales meetings can offer an excellent avenue for improved communications.

Not all of these steps are applicable to every small business, but most sales-meeting situations can be substantially improved by adherence to many of these steps.

Sales Contests

Another means of rejuvenating salespeople is the use of sales contests. This appeals to the natural competitive instinct of salesmen. However, the sales contest seems to be an under-used sales management tool in smaller businesses. In this regard Henry D. Ostberg, marketing consultant and assistant professor of marketing at New York University, in an SBA publication entitled Sales Contests for Wholesalers states:

> "Salesmen, even if they get a good salary and commission, occasionally need an extra incentive. You might consider providing that 'plus' by putting on a sales contest . . . Of course, such a contest would be only a part of an overall sales program, but within limits it can help you move merchandise."[1]

He then outlines five steps in establishing such a contest:

1. Set up the purpose.
2. Develop an equitable and simple scoring method.
3. Select the theme and prizes in keeping with your objectives.
4. Promote the contest.
5. Award prizes in such a way as to "win the winner," but not "lose the loser."

You need not give away the Taj Mahal or an around-the-world cruise to have an effective contest. Small companies can offer prizes that are within their means, such as trading stamps, merchandise, or tickets to the ball game, and still accomplish their objectives. Sometimes the honor of public recognition or special privileges offer adequate incentive.

EXTRA INCENTIVE THROUGH SALES CONTESTS

Visual No. 3-10

Compensation

Certainly one of the most important factors in motivating salesmen is monetary compensation. Someone once said, "Money isn't everything, but it is far ahead of whatever comes second." This is certainly true for most salesmen.

---

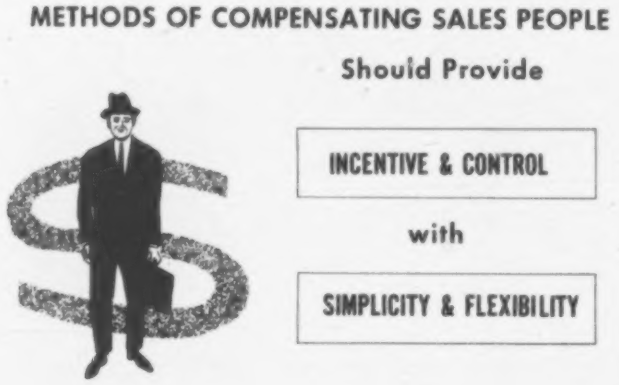
[1] Henry D. Ostberg, SBA Small Marketers Aids No. 47, Sales Contests for Wholesalers. (See Supply Department Section for reprint.)

There are a variety of ways in which salespeople are compensated, but they generally boil down to three methods:

Straight salary,
Straight commission, and
Combination methods.

Straight salary plans have the advantages of being easily understood, simple to administer, and easy to budget. They also give management more control over the activities of its salespeople. On the other hand, straight commission plans have the inescapable feature of applying monetary incentives proportionate to sales--that is, the more the salesman sells, the more he earns. Combination plans, which include some salary and some commission, are becoming more and more popular today. They give the management the flexibility and control of salary plans plus the incentive and motivating effects of commission plans.

What determines the choice of a pay plan? Basically four standards can be applied. They are:



Visual No. 3-11

Control - If you expect your salesmen to perform other activities besides selling, you will want to control the way they spend their time. To have this control you will have to pay a part of their compensation in the form of salary.

Incentive - If you want your salesmen to be highly motivated to carry out their jobs, you will have to offer them incentive. Therefore, you should compensate them for achievements that are in keeping with your company's sales objective. For example, if you are mainly interested in sales volume, you would pay commissions on sales. You can do this selectively; that is, you can give higher commissions on products you want most to sell. On the other hand, if you want to motivate your salesmen to stress customer service or market surveys, your pay plan will have to offer incentive to perform these tasks.

Flexibility - If you need flexibility in selling costs and product emphasis, or have variations in department sales potentials and differences in salesmen, you will want flexibility in your compensation plan. One major reason for the popularity of combination plans today is their provisions for flexibility.

Simplicity - Every compensation plan should be both easy to administer and easy to understand. If a salesman cannot understand how his pay is determined, you can hardly expect him to be motivated to do his job.

Underlying any successful method of payment are basic principles of justice, sound business practices, and human relations. Employees are quick to sense unfair practices, and the negative effect of these on motivation usually far overshadows any dollar savings in compensation.

EVALUATING SALES PERSONNEL

Part of the job of managing in any organization is the evaluating of subordinates. This is relatively easy in the case of production workers whose jobs can be described in concrete terms and whose output can be measured quantitatively. However, evaluating salespeople, whose job descriptions may be somewhat general and whose output cannot always be easily measured, is a more difficult task. Small-business managers may tend to do their evaluating informally and, all too often, haphazardly. Frequently they evaluate by the "critical incident" method--that is, they look back upon the salesman's most recent success or failure and base their whole evaluation on this effort. In other cases, they approach evaluation with a lot of vague notions about "the sales personality" because they may not know what to look for in a good salesman. What is needed is a consistent systematic way for sales managers to evaluate their salespeople.

Of course, if you have developed job descriptions, you have a start in determining what to look for. But the job description will not tell you how to rate the man, nor will it help you observe any improvement or deterioration in his performance. What you need is a rating scale which will provide consistent and objective information on how well an individual employee is performing the work outlined in his job description. The rating scale usually consists of a series of specific questions covering elements of the job in relative order of importance. For each element of the job, there is a scale indicating the degrees of achievement a man might have attained with respect to this element.

Sales Management magazine has published a sample rating scale that somewhat follows the job description discussed previously. It is reproduced below. (This rating scale may be used as a handout for course participants. See Supply Department Section.)

MINIMUM ESSENTIALS IN VARIOUS AREAS OF KNOWLEDGE AS REQUIRED BY TYPICAL SALESMEN

Area of knowledge or achievement	Degrees of achievement				
	(0)	(1)	(2)	(3)	(4)
A. **The Company**, its history, organization, policies, views.	Little or no working knowledge.	Basic facts re credit terms, routine, policies; has employee attitude.	Operates well, within limits; knows when to ask for help; avoids trouble in the field.	Knows details of history, policies, terms; can explain and use; does not interpret or take initiative in problems.	Appreciates history, understands policies thoroughly, comprehends and justifies routine; executive viewpoint.
B. **The Product's**, construction, sales features, and uses.	Little or no working knowledge.	General grasp of line, fair acquaintance with product features.	Fair knowledge of most products, talks selling points, features, intelligently.	Practical selling knowledge of most products, well-posted; confident, inspires trust.	Excellent technical knowledge of materials, production methods, construction, all items - an authority on product.
C. **The Customer**, his products, his problems, processes.	Little or no working knowledge.	Knows common uses of product as sold to most customers.	Knows all general uses, familiar with some special applications.	Knows all general uses well, knows most of special applications, can suggest applications.	Thoroughly acquainted with all general and special problems and uses by all possible customers-an advisor, counselor.
D. **Competition**, products, practices, progress.	Little or no working knowledge.	Knows only general characteristics of competitor's products; uses standard comparisons.	Uses logical argument and undeniable facts in defending own product vs. competition.	Knows relative merits fairly well, can make comparative statements effectively, authoritatively.	Extensive knowledge of competing items; materials, construction, etc., knows policies, anticipates plans.
E. **Salesmanship**, ability to influence customers.	Little or no working knowledge.	Makes calls takes orders gets some business - not a good salesman.	Creates good impression, sells steadily, average sales record and ability.	Knows how to sell; can handle individuals effectively, a very good salesman, speaks well.	Comprehensive knowledge of salesmanship; very effective with both individuals and groups; excellent speaker.
F. **Engineering**, training or experience, theory, skill.	Little or no knowledge or skill.	Understands technical terms, has "know-how;" may be skilled in some operations.	Practical engineer; short on theory, principles; handles routine problems well.	Enlightened "practical" engineer, or trained engineer but with static viewpoint, not creative.	Trained engineer with specialized experience; broad understanding, ability to solve advanced production problems.
G. **Business Economics**, training or experience, theory, facts.	Little or no working knowledge.	Talks business language enough to handle routine matters.	Reasonable business judgement; aware of economic developments, causes. Little training.	Good understanding of economic principles; knowledge of business organization, relationships.	Working knowledge of economic theory, broad business training, practical experience.

(Chart courtesy Sales Management magazine.)

In using the rating scale, the manager notes the degree of achievement of the salesman in each of the areas of knowledge required by the job. When he has finished, the manager can analyze the rating sheet to see in what areas the salesman needs improvement. In this regard, the scale can be used as a developing and counseling device as well as an evaluation tool. It is a good idea for the manager to evaluate each salesperson at least once a year, and perhaps every six months.

After several ratings have been made for a salesman, the manager can compare the current evaluation with past ratings to determine if the salesman has improved in the areas in which he has been weak. Most authorities agree that, after making an evaluation, the manager should call in the employee being rated and discuss his progress with him.

A well-conceived rating scale permits the manager to make a current evaluation and keep track of improvements; and it gives a permanent record of the individual's progress.

SALES FORECASTING AND PLANNING

Although I have saved it until last, sales forecasting is a vital part of sales managing. In fact, top management and other departments of the company are dependent upon sales-forecasting information to help them plan and budget. It is usually top management that accepts the major responsibility for preparing and interpreting sales forecasts. However, if a company has a sales manager, he should always be a part of the sales-forecasting effort--not only because he has use for the forecast information, but also because he and his salespeople have a knowledge of the customer and are close to a lot of the market information that is needed for an accurate forecast.

Although both short-term and long-term forecasts are made by most companies, the man who manages the sales effort will probably be more concerned with the short-term future--that is, a period of less than a year in advance--and the effect it will have on his operation. He has immediate use for forecasts in planning and budgeting and also in setting quotas and evaluating his salesforce.

In general, the manager is not interested in the statistical techniques or mechanics of forecasting. He is more interested in forecasting results and the validity of those results. However, wherever possible, he may want to have someone available who is competent in statistical practices and processes to work out forecasting details.

The owner-manager in the very small firm cannot afford to employ a forecasting specialist; however, there are guidelines available to help him. In a recent survey of 106 small firms, the following basic factors were cited as important in forecasting:[1]

FACTORS TO CONSIDER IN FORECASTING

1. Total sales of the firm in past periods.
2. Market trends (sales potential) for the firm's products or services.
3. Sales of individual products or lines in the firm's past period.
4. Population trends in the firm's trade area.
5. General business conditions.
6. Price of the firm's products or services.
7. Government expenditures.

Some of these factors may not be too important for some businesses, but the list does indicate the types of information that are useful in constructing forecasts.

The variations in some of these indicators may give a clue as to how your sales will vary in the near future. Experience or statistical procedures can help determine which factors seem to cause your sales to vary.

But where can you get this information? Much of it will be available from company records, if the company keeps good records. Other facts and data can be found in the publications of government agencies. The Department of Labor and Department of Commerce publish much statistical data that is useful in forecasting. For example, the Department of Commerce's monthly publication, Survey of Current Business (see bibliography), contains a wealth of statistical data on general business conditions, industrial and commercial activity, and government expenditures. Trade associations and trade journals offer other sources of information. The observant reader can also find useful data in the daily newspapers and in magazines. And don't forget the bureaus of business research of your local universities and colleges.

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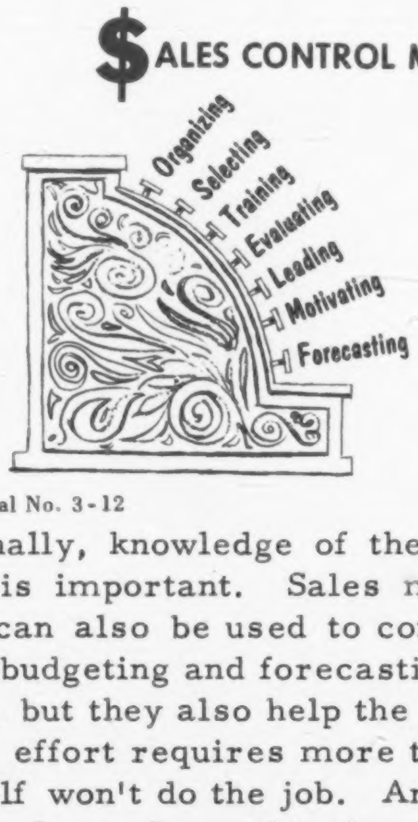
[1] Delbert G. Hastings, SBA Management Research Summary No. 23, Forecasting in Small Business Planning.

The manager who makes intelligent use of these published forecast materials has much of his forecasting work done for him. His task is the management job of interpreting, drawing conclusions, and making appropriate decisions for his own company.

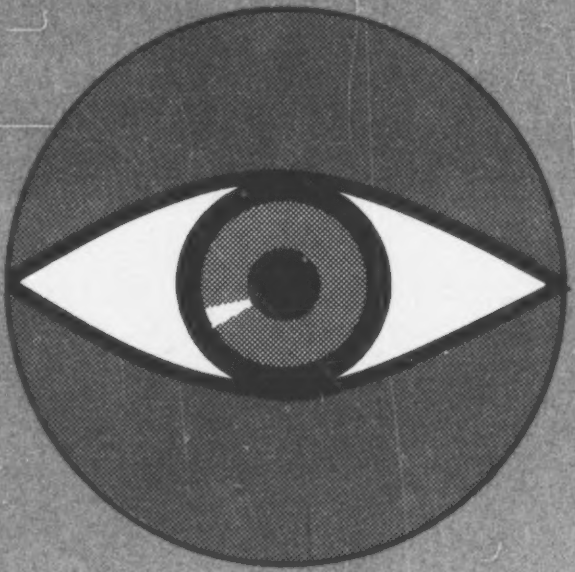
SALES CONTROL

Good sales management requires control of the sales function. The manager must be able to influence all of the controllable factors that affect the achieving of the company's sales objectives.



Visual No. 3-12

This, of course, means that the manager must be aware of what these factors are. Perhaps, in summary, we can reiterate these important areas. First, the sales effort must be organized if it is to be controlled. Next, sales control requires the proper selection, training, development, and evaluation of the sales personnel. Leadership and motivation are also important factors in managing the salesforce. Additionally, knowledge of the ways in which compensation affects control is important. Sales meetings, contests, and other incentive devices can also be used to control and motivate salesmen. It is obvious that budgeting and forecasting skills not only help establish realistic goals, but they also help the manager attain these goals. A successful sales effort requires more than good salesmanship alone. Training by itself won't do the job. And money and motivation are insufficient by themselves. It requires broad understanding and application of all the things that make up sales management to have a fully successful sales program.



THE VISUAL AIDS

A What to Show

Section

The old Chinese proverb **"One See Worth Thousand Say"** is certainly borne out by experience in the fields of education and training at all levels.

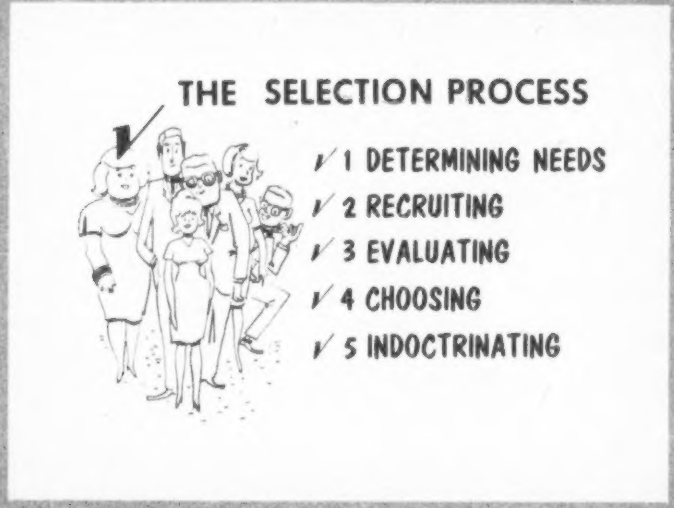
The instructor who helps his participants visualize subject matter and ideas not only holds the group interest--he also stimulates thoughtful consideration and retention of the topic.

This section contains samples of visuals that are available for this subject. Each has been carefully coded and "keyed" into **The Lesson Plan** as outlined in this manual.

USE OF VISUAL AIDS

WHAT TO USE	**WHEN AND HOW TO USE**
Chalkboard 	Study and plan before a meeting what to put on the board and where to put it. Use it to present sketches, diagrams, outlines, definitions, key words, directions, record of class contributions, and summaries. Suit material to board space. Write plainly and quickly. Keep wording simple. Stand at one side of board while referring to material. Talk to the group, not to the board. Erase material no longer needed.
Posters, Charts, and Diagrams 	To arouse interest and attract attention; to show relationships and trends; to inspire group. Use device large enough to be seen. Post where everyone can see. Present at right time. Discuss information illustrated.
Hand-Out Materials 	To present information uniform in character and as a guide to material covered; emphasize key points; arouse interest and discussion; review or summarize discussions; and serve as permanent reference. Select to serve a definite purpose. Introduce at right time. Distribute in manner to convey its importance. Direct members how to use.
Films and Film Strips 	Present an overall view; introduce a new subject; emphasize specific aspects of a subject; arouse interest; summarize. Select carefully to relate to the discussion and plan presentation. Arrange room and equipment for showing. Alert the audience for the showing or what will be seen. Run the film. Discuss the subject matter and summarize.
Samples, Forms, and Exhibits its the BEST	Keep subject matter practical; show development of a process; increase understanding. Select only enough to illustrate, not confuse. Pass around if necessary. Take time to present clearly. Comment when presenting.
Pedestal Chart MAKE it Count	A pad of newsprint sheets or similar paper may be used for the same purposes as the chalkboard. Material recorded with chalk or crayon may be saved for future reference by the group or by the instructor.

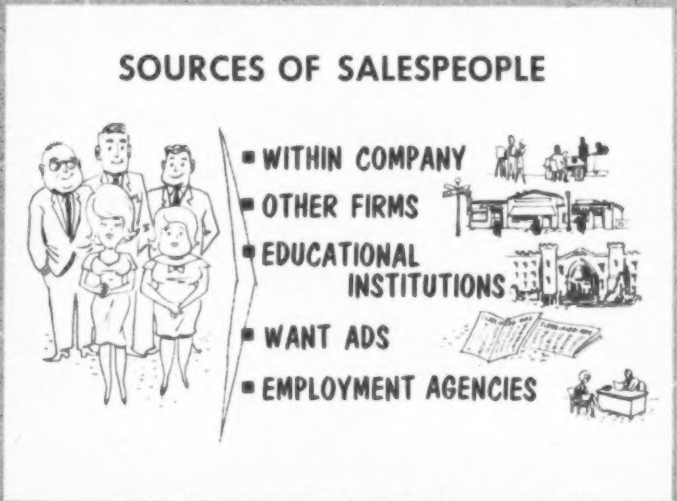
OVERHEAD PROJECTUALS



THE SELECTION PROCESS

✓ 1 DETERMINING NEEDS
✓ 2 RECRUITING
✓ 3 EVALUATING
✓ 4 CHOOSING
✓ 5 INDOCTRINATING

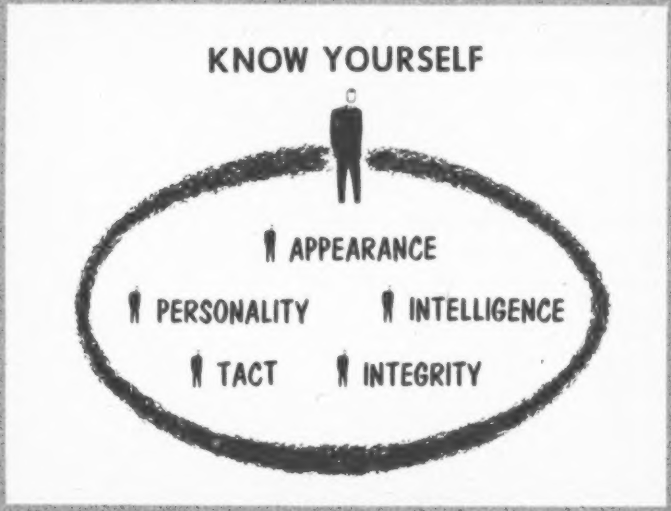
①



SOURCES OF SALESPEOPLE

- WITHIN COMPANY
- OTHER FIRMS
- EDUCATIONAL INSTITUTIONS
- WANT ADS
- EMPLOYMENT AGENCIES

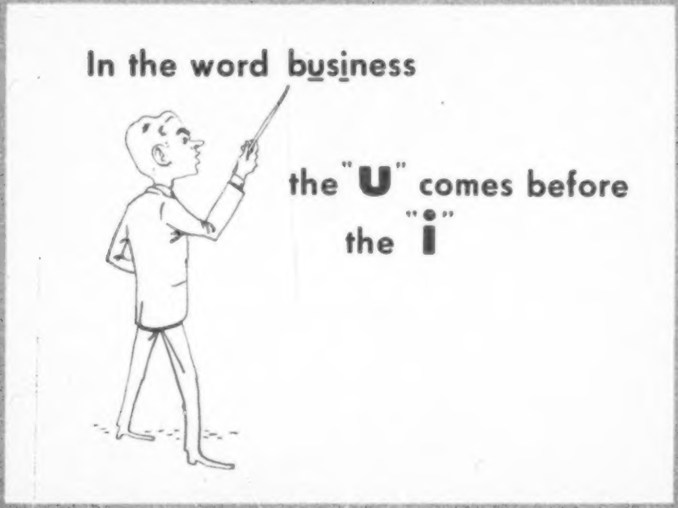
②



KNOW YOURSELF

APPEARANCE
PERSONALITY
INTELLIGENCE
TACT
INTEGRITY

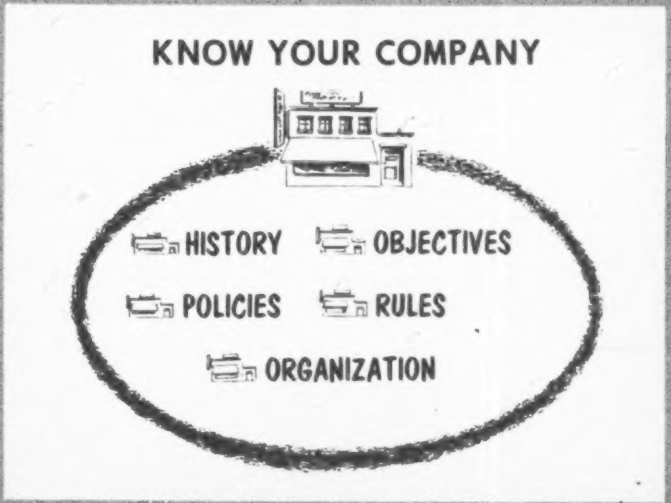
③



In the word business

the "U" comes before the "i"

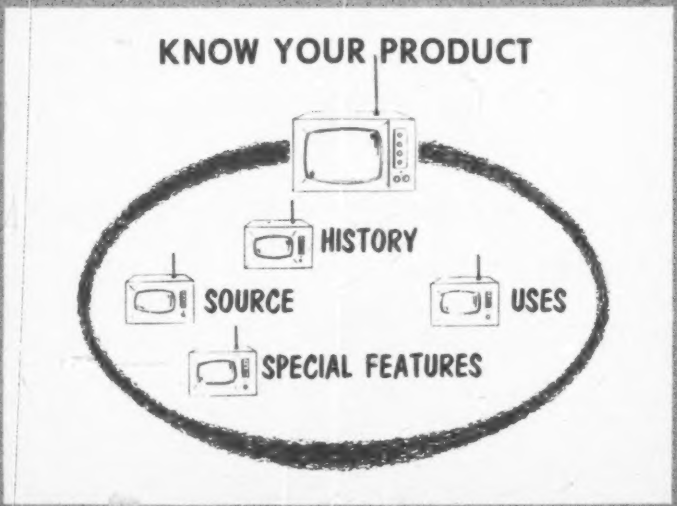
④



KNOW YOUR COMPANY

HISTORY
OBJECTIVES
POLICIES
RULES
ORGANIZATION

⑤

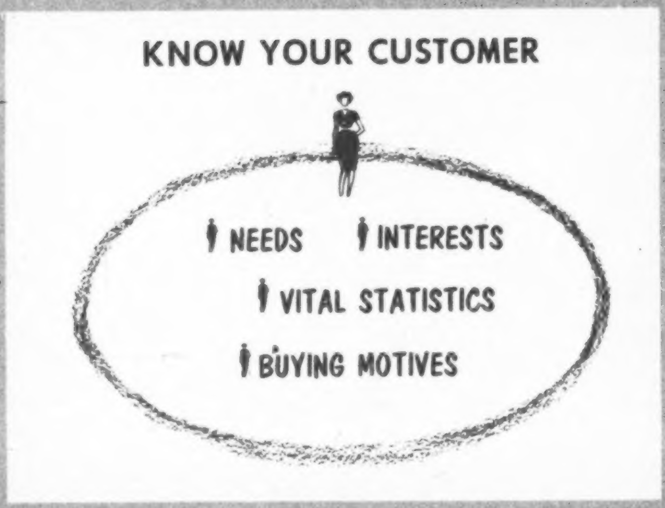


KNOW YOUR PRODUCT

HISTORY
SOURCE
USES
SPECIAL FEATURES

⑥

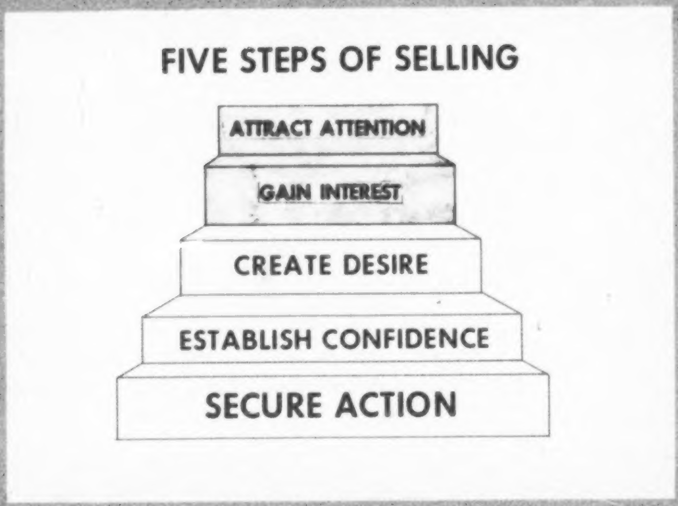
OVERHEAD PROJECTUALS



KNOW YOUR CUSTOMER

- NEEDS
- INTERESTS
- VITAL STATISTICS
- BUYING MOTIVES

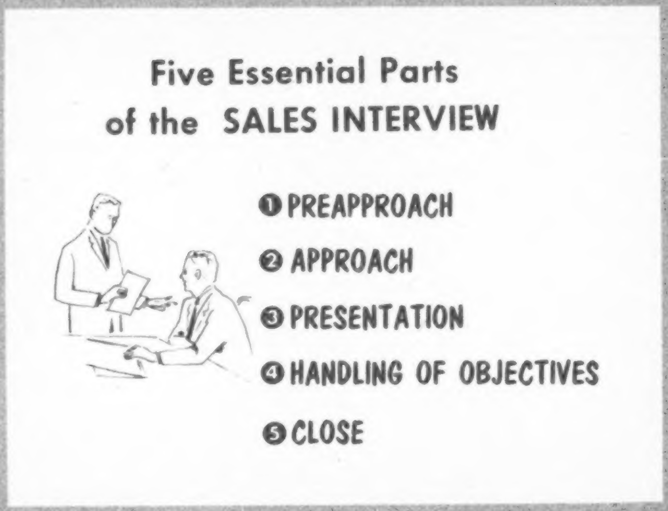
⑦



FIVE STEPS OF SELLING

ATTRACT ATTENTION
GAIN INTEREST
CREATE DESIRE
ESTABLISH CONFIDENCE
SECURE ACTION

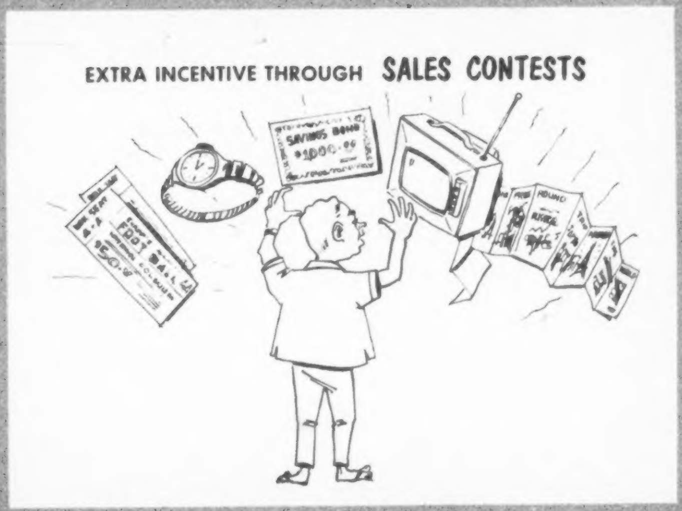
⑧



Five Essential Parts of the SALES INTERVIEW

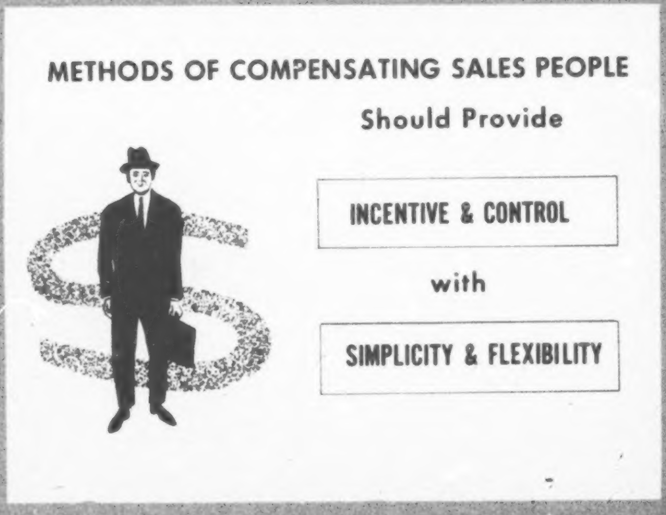
❶ PREAPPROACH
❷ APPROACH
❸ PRESENTATION
❹ HANDLING OF OBJECTIVES
❺ CLOSE

⑨



EXTRA INCENTIVE THROUGH SALES CONTESTS

⑩



METHODS OF COMPENSATING SALES PEOPLE

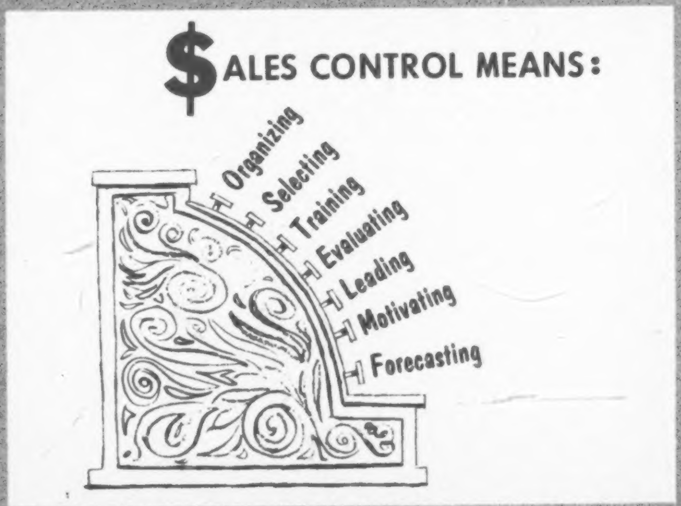
Should Provide

INCENTIVE & CONTROL

with

SIMPLICITY & FLEXIBILITY

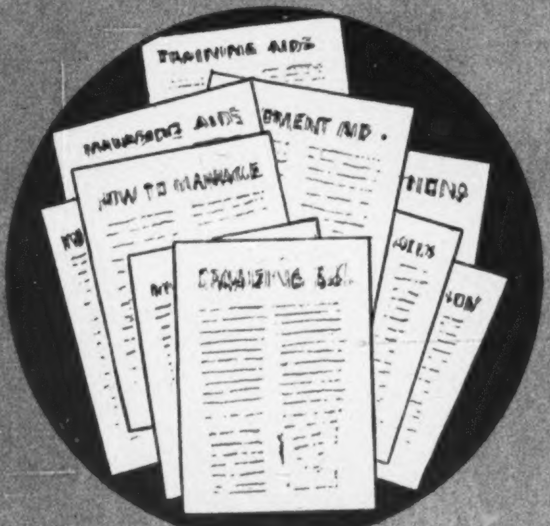
⑪



$ALES CONTROL MEANS:

- Organizing
- Selecting
- Training
- Evaluating
- Leading
- Motivating
- Forecasting

⑫



THE SUPPLY DEPARTMENT

A Resource Materials and Participant Handout

Section

It is generally conceded that interest intensifies in situations where people have a chance "to participate" by such means as open discussion and buzz sessions. The materials in this section should prove useful in this kind of activity. These materials may be reproduced locally.

It is also desirable to provide participants with "take away" materials if they are pertinent and concise. Accordingly, appropriate Management Aids, Small Marketers Aids, and Management Research Summaries are included in this section. Current information on the availability of suggested and new SBA publications may be obtained from the nearest SBA office.

OUTLINE FOR A JOB DESCRIPTION HAVING GENERAL APPLICATION

Sales:

- Sell the line, demonstrate.
- Handle questions and objections.
- Check stock--discover new product uses.
- Interpret sales points of the line to the customers.
- Estimate customers' potential needs.
- Emphasize quality.
- Explain company policies on price, delivery, and credit.
- Get the order.

Service:

- Install product or display.
- Report product weaknesses, complaints.
- Handle adjustments, returns, and allowances.
- Handle requests for credit.
- Handle special orders for the customers.
- Establish priorities, if any.
- Analyze local conditions for the customers.

Sales promotion:

- Develop new prospects and new accounts.
- Hand out literature, catalogs, desk pieces.
- Know and use company's advertisements and promotions.
- Evaluate effectiveness of company's advertising programs.

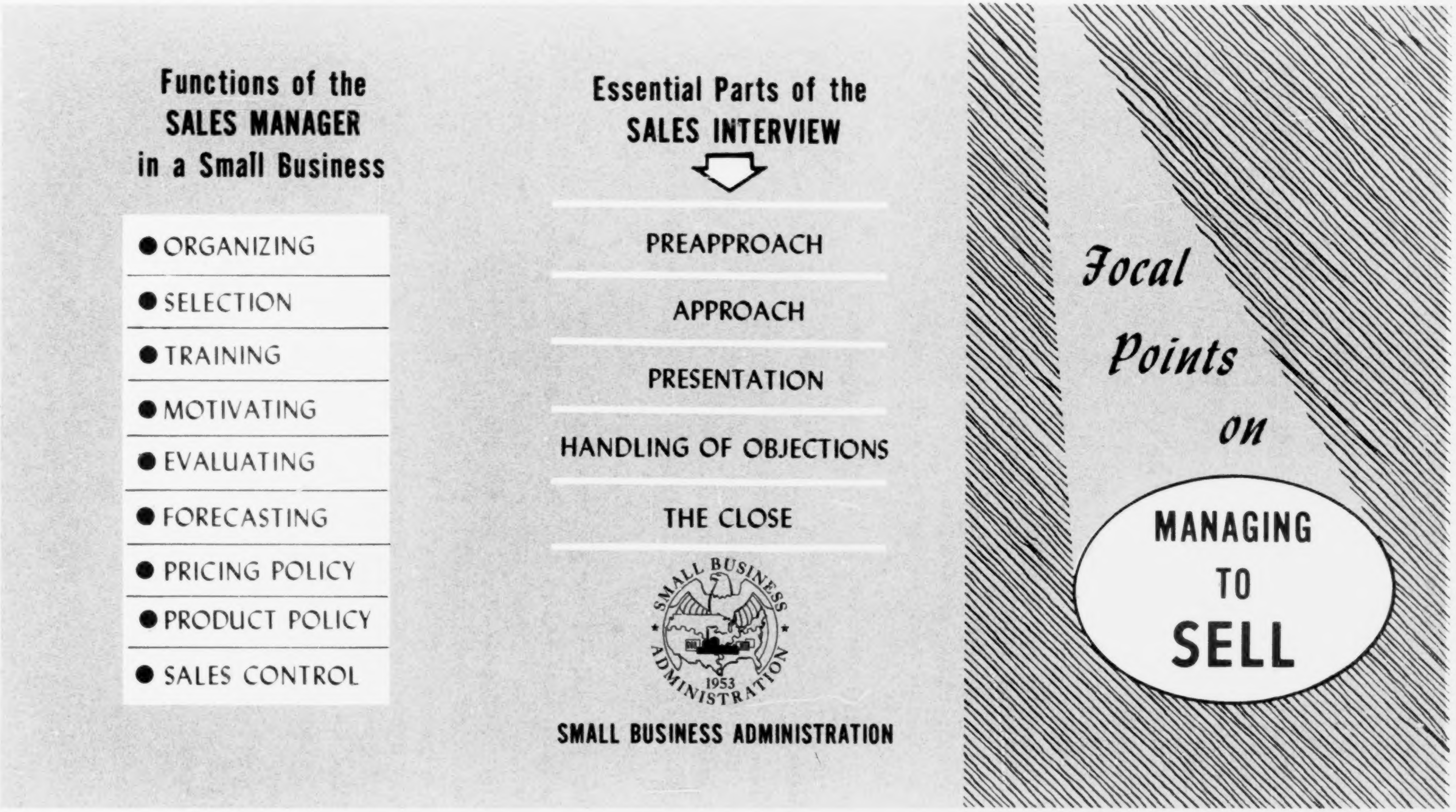
Executive:

- Each night make a daily work plan for the next day.
- Investigate lost sales and the reasons for losses.
- Be alert to new product developments, trends, new objections met, and new ideas on meeting objections.
- Attend sales meetings.
- Build a prospect list.
- Collect overdue accounts; report faulty accounts.
- Collect credit information.
- Prepare and submit special reports for management on sales, inventory, competition, credit, and purchasing needs.

Good will:

- Counsel the customers on their problems.
- Maintain loyalty and respect for firm represented.

Handout No. 3-1



Functions of the
SALES MANAGER
in a Small Business

- ORGANIZING
- SELECTION
- TRAINING
- MOTIVATING
- EVALUATING
- FORECASTING
- PRICING POLICY
- PRODUCT POLICY
- SALES CONTROL

Essential Parts of the
SALES INTERVIEW

PREAPPROACH
APPROACH
PRESENTATION
HANDLING OF OBJECTIONS
THE CLOSE

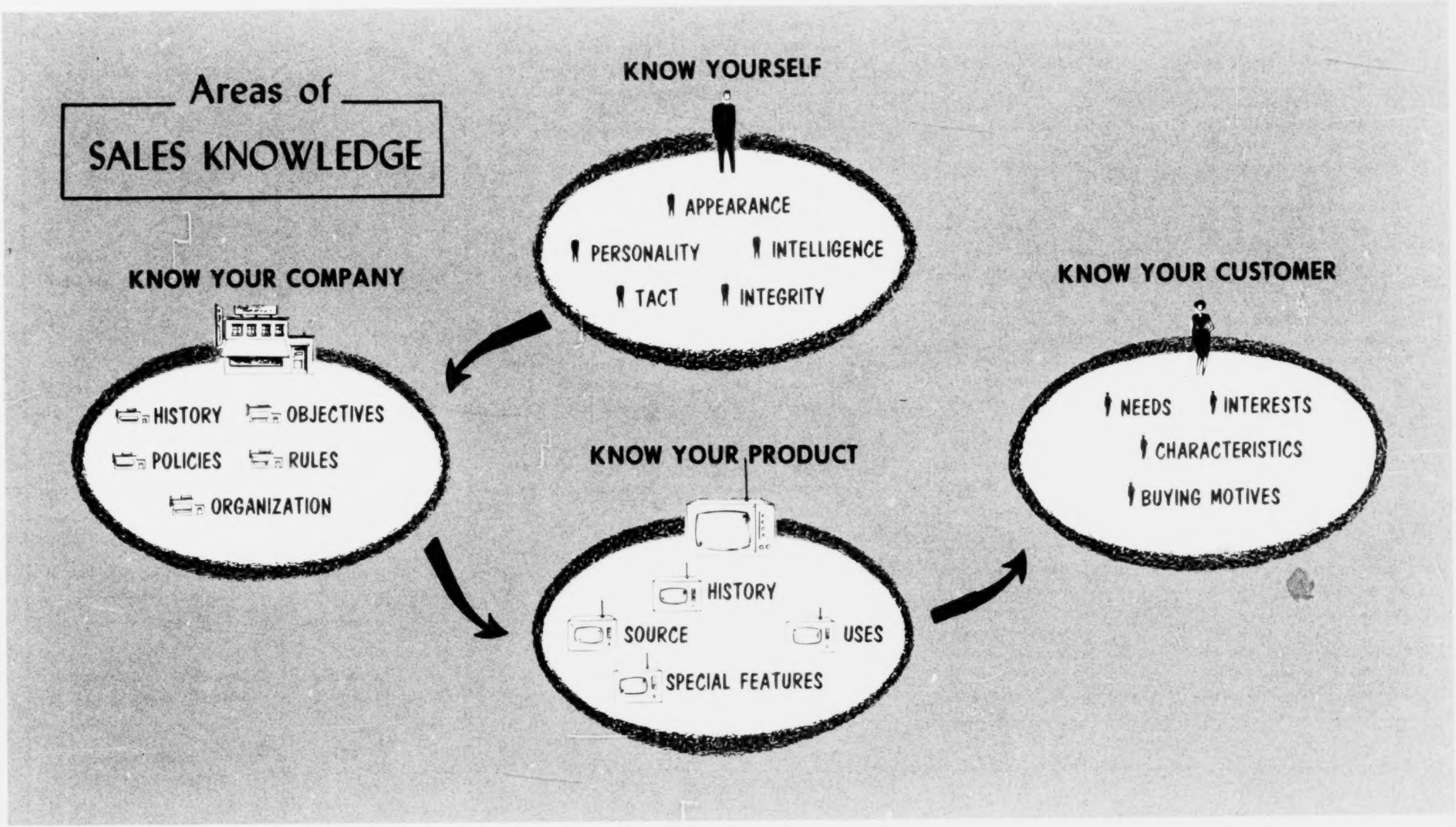
SMALL BUSINESS ADMINISTRATION 1953

SMALL BUSINESS ADMINISTRATION

Focal
Points
on

MANAGING
TO
SELL

This page and the following illustrate a three-fold leaflet which summarizes the subject presentation. The leaflet is available in quantity from your regional Management Assistance Division Chief for distribution to participants in SBA-cosponsored administrative management courses.

# Areas of SALES KNOWLEDGE

KNOW YOURSELF

- APPEARANCE
- PERSONALITY
- INTELLIGENCE
- TACT
- INTEGRITY

KNOW YOUR COMPANY

- HISTORY
- OBJECTIVES
- POLICIES
- RULES
- ORGANIZATION

KNOW YOUR PRODUCT

- HISTORY
- SOURCE
- USES
- SPECIAL FEATURES

KNOW YOUR CUSTOMER

- NEEDS
- INTERESTS
- CHARACTERISTICS
- BUYING MOTIVES

MINIMUM ESSENTIALS IN VARIOUS AREAS OF KNOWLEDGE AS REQUIRED BY TYPICAL SALESMEN

Area of knowledge or achievement	Degrees of achievement				
	(0)	(1)	(2)	(3)	(4)
A. **The Company**, its history, organization, policies, views.	Little or no working knowledge.	Basic facts re credit terms, routine, policies; has employee attitude.	Operates well, within limits; knows when to ask for help; avoids trouble in the field.	Knows details of history, policies, terms; can explain and use; does not interpret or take initiative in problems.	Appreciates history, understands policies thoroughly, comprehends and justifies routine; executive viewpoint.
B. **The Product's**, construction, sales features, and uses.	Little or no working knowledge.	General grasp of line, fair acquaintance with product features.	Fair knowledge of most products, talks selling points, features, intelligently.	Practical selling knowledge of most products, well-posted; confident, inspires trust.	Excellent technical knowledge of materials, production methods, construction, all items - an authority on product.
C. **The Customer**, his products, his problems, processes.	Little or no working knowledge.	Knows common uses of product as sold to most customers.	Knows all general uses, familiar with some special applications.	Knows all general uses well, knows most of special applications, can suggest applications.	Thoroughly acquainted with all general and special problems and uses by all possible customers-an advisor, counselor.
D. **Competition**, products, practices, progress.	Little or no working knowledge.	Knows only general characteristics of competitor's products; uses standard comparisons.	Uses logical argument and undeniable facts in defending own product vs. competition.	Knows relative merits fairly well, can make comparative statements effectively, authoritatively.	Extensive knowledge of competing items; materials, construction, etc., knows policies,anticipates plans.
E. **Salesmanship**, ability to influence customers.	Little or no working knowledge.	Makes calls takes orders gets some business - not a good salesman.	Creates good impression, sells steadily, average sales record and ability.	Knows how to sell; can handle individuals effectively, a very good salesman, speaks well.	Comprehensive knowledge of salesmanship; very effective with both individuals and groups; excellent speaker.
F. **Engineering**, training or experience, theory, skill.	Little or no knowledge or skill.	Understands technical terms, has "know-how;" may be skilled in some operations.	Practical engineer; short on theory, principles; handles routine problems well.	Enlightened "practical" engineer, or trained engineer but with static viewpoint, not creative.	Trained engineer with specialized experience; broad understanding, ability to solve advanced production problems.
G. **Business Economics**, training or experience, theory, facts.	Little or no working knowledge.	Talks business language enough to handle routine matters.	Reasonable business judgement; aware of economic developments, causes. Little training.	Good understanding of economic principles; knowledge of business organization, relationships.	Working knowledge of economic theory, broad business training, practical experience.

(Chart courtesy *Sales Management* magazine.)

Handout No. 3-2

Personnel Management

SMALL BUSINESS ADMINISTRATION

SMALL MARKETERS AIDS No. 47

Washington 25, D. C. August 1959

SALES CONTESTS FOR WHOLESALERS

By *Henry D. Ostberg*, Marketing Consultant, Assistant Professor of Marketing,
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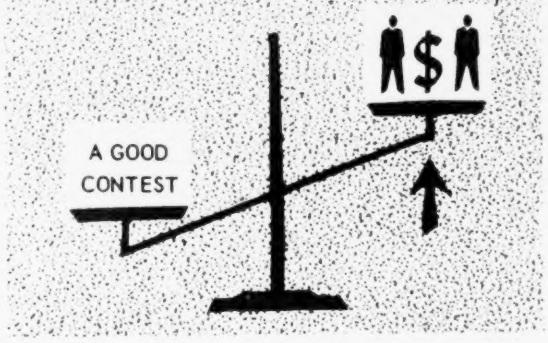
SUMMARY

Salesmen, even if they get a good salary and commission, occasionally need an extra incentive. You might consider providing that "plus" by putting on a sales contest, a device many firms have found to be a selling stimulus. Of course, such a contest would be only a part of an overall sales program, but within limits it can help you to move merchandise.

In any case, it requires imagination and thorough preparation to make such a contest a success both from the management and sales force's points of view. There are five steps involved in setting up a successful contest: (1) Establishing the purpose, (2) deciding on a scoring method, (3) selecting theme and prizes, (4) promoting, and (5) awarding the prizes. Each step has its own importance, and each should be carefully thought out and planned.

A well-planned contest can accomplish two things for you: It can boost your salesmen's morale, and it can boost your company's sales.



To achieve these aims, it's worth your while to think about putting on the best possible sales contest you can devise. This Aid offers practical suggestions on how to go about doing just that.

"How can you afford going to Bermuda?"

Pete Dawson smiled. "I can't."

"But you're going anyway. What happened? Did your rich uncle die?"

"I haven't got a rich uncle," Pete assured his companion. "And if I did, with my luck he'd probably leave his money to the Society for the Improvement of Improvident Nephews."

"Well, then - - ?"

"My dark secret, Jack, is this: I won the sales contest put on by my company, Brampton & Sons."

"Oh, so that's it. Congratulations. Wish *my* company gave me a chance to win a jackpot like that."

• ***Creating Contests.*** Bermuda-crowned contests may still be a comparative rarity, but sales contests as such are not. In fact, the organization which does not have them is possibly missing a good sales-increasing bet.

Many businessmen feel that there probably is no more effective way to boost sales than a good sales contest. This is certainly the way many jobbers feel. They recognize the importance of stimulating and encouraging the men whose job it is to move the merchandise. More than anyone else in business, salesmen need to be re-assured occasionally.

• ***Rally 'Round the Flag, Boys.*** "A salesman is like a battery in a car, always discharging energy, information, enthusiasm," someone once put it. "Unless something is done to re-charge him, he will -- like the battery -- run down."

A good sales contest helps to renew the salesman's drive, and adds some excitement to his daily routine. And while it helps him, it also tends to help his organization. Nearly always, well-planned sales contests produce additional sales. And they are also likely to produce something else: a feeling on the salesman's part that he is appreciated, and this feeling in turn strengthens his loyalty to his firm.

But a word of warning: Sales contests may create problems, too. At their best, they are sales builders. But if salesmen concentrate on selling contest-items only, ignoring your other merchandise, you may have to have a talk with them.

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"Look, fellows," you might tell them, "if the sales curve of our other goods dips below a certain level, we're going to be in trouble. And you've participated in your last contest here."

By and large, nevertheless, contests are a good idea, and most of the time they are easy to run and cost relatively little in terms of the results (sales increases, employee morale boost) they produce. But you should not expect them to be more than one segment of a well-rounded, well-integrated sales program.

WHAT MAKES A GOOD SALES CONTEST?

Well, what *does* contribute to making a sales contest a success? A man with some considerable experience in putting on such contests in his small enterprise, when asked this question, told a story. "I went to a party at some friends' house the other night," he said. "Mr. and Mrs. Henderson don't have much money, but I had a very good time. Just last night I spent an evening with the Enrights. Now, the Enrights have plenty of cash; but, somehow, I just got bored long before the evening was over. What was the difference between those two parties? Simple. The Hendersons may not have much money, but they certainly have a lot of imagination. And just as a party will be a success when it has that ingredient, so will a sales contest."

• ***Five Steps to Success.*** Imagination, all by itself, however, is not enough. You must prepare and plan thoroughly, and your planning should include five areas:

(1) Establishing the purpose
(2) Deciding on a scoring method
(3) Selecting theme and prizes
(4) Promoting the contest
(5) Awarding the prizes

Now let's consider each of these points in some detail.

CONTEST: POINT AND PURPOSE

Contests can help you accomplish a wide variety of purposes and objectives. An increase in total sales is only one of them. Among some other possible objectives: (1) Selling a particular line or product; (2) picking up new accounts; (3) reactivating lost accounts; (4) overcoming a temporary sales slump; (5) encouraging salesmen to aid dealers in store promotions; (6) getting salesmen to make more calls.

From this partial list of possible objectives you can see that you are not using the contest idea to full advantage if a sales increase is your *only* objective. The point is that you can vary the type of contests you undertake. For instance, you can give a prize to the salesman who brings in the most orders, or to the one who picks up the largest number of new customers, or even to the salesman who manages to collect the most money owing to your organization.

CONTEST: SCORING METHOD

Naturally, if you're going to have a contest at all, it's important to give every salesman in your organization a chance to win. So the selection of the scoring method becomes an important factor.

• ***"Handicapping."*** For one reason or another, one salesman sells better than another. This may *not* be due to differences in sales ability but to the nature of the territories the two men cover, or the length of time one man has covered his area where he has become well-known and established, while the other man is still relatively new in his. All of which leads back to the selection of the scoring method. After all, if a contest is simply based on "most sales", some of your men -- often through no fault of their own -- may automatically be disqualified before the contest even starts. So, why not "handicap" the participants? To accomplish this, you can:

(1) Use a percentage increase in sales over the previous year, rather than total sales, to determine the winner;

(2) set a quota for each salesman, the winner being the one who exceeds his quota the most;

(3) run a contest in which the salesman who brings in the largest number of orders (rather than the highest volume of sales) gets the top prize; or,

(4) declare every salesman who exceeds a minimum standard of performance (for argument's sake, say $18,000 worth of sales *during the contest period)* a winner.

Here, too, imagination and planning will help you find the approach that is right for your organization.

CONTEST: THEME AND PRIZES

To be successful a contest must capture the imagination of the salesmen for whose benefit it is run. So, the prizes you plan to award are important. But more significant than the prizes themselves is the competitive spirit the contest engenders, and here, of course, it's your imagination and subtle direction which must be called into play. For you have to develop the theme -- and it's the theme that may make the difference between lukewarm interest and eager participation.

• ***Selecting the Theme.*** A good many contests are based on a competitive sports theme. Baseball, of course, is a favorite. A "Big League Sales" contest can convert sales into single-, double-, and triple-base hits and home runs. The salesman (or team of salesmen) with the highest score wins the pennant and the prizes. Other sports themes (such as bowling, hockey, basketball, tennis, and golf) may work equally well.

Even a thermometer may provide a good theme: The salesman who gets "hot" first, is the winner. Some firms have used mountain climbing and ladder themes, or themes that tie in with fishing and hunting. Other themes yet involve journeys to specific destinations, with each sale counting a pre-determined number of miles toward the destination.

• *Carrying the Theme Through.* All contest details should be tied into the main theme. For instance, if you stage a baseball contest, you might extend it for *nine* days or *nine* weeks. Prizes, too, should carry through: A "Big League Sales" contest might include among its prizes a bat and a glove for the use of the winner's children. Including a salesman's children and wife in a contest by providing a prize incentive for them, frequently spurs the salesman to greater effort.

• *"Corn" and Contests.* Perhaps some of these ideas strike you as "corny." So they may be. But quite a few sales managers insist that "corn" has been productive for them.

As evidence of their belief they might point to a supplier who recently ran a "Crusade for Sales" during which he designated his salesmen, on the basis of their individual sales results, as knights, barons, dukes, and princes. Each of the three men who earned the title of prince received, as his prize, a complete outfit of English clothing, including a suit and raincoat. And what about the supplier who dreamed up the Crusade? Well, during the eight-week contest period, his sales climbed 31 per cent! Corn? Perhaps. But -- golden corn.

• *"Sign That Check" Contest.* A New Jersey wholesaler was concerned about being overstocked in a particular brand of coffee. For several days he pondered ways of remedying the situation, and suddenly he had an inspiration. The next morning, when his salesmen trooped into his office for the weekly sales meeting, he handed each man an *unsigned* check made out in the amount of $25.

"Playing a practical joke on us, boss?" one of the old-timers wanted to know.

"No," the wholesaler replied. "I hope the joke will be on me. I want all of you to go out and sell brand X coffee. I mean, sell it hard. The one who brings back the most orders for that coffee -- yes, I said the *most,* not necessarily the highest volume of sales -- is going to have his check signed."

By early afternoon of the same day, all of brand X had been sold. The wholesaler's sales crew had obtained orders for more than $3,200 within a few hours. This compared to an average of $350 in orders which they had sold on any previous day.

• *Choosing the Prizes.* Money or merchandise -- which shall it be? There are certain advantages to the *giver* in choosing the latter over the former. This is particularly true if the total budget that can be allotted to contest prizes is relatively small. For frequently you may be able to obtain merchandise at less than list price. Too, you can relate merchandise prizes to the central contest theme. Example: A "Pig Skin" contest might offer an all-expense paid trip to an out-of-town football game as the first prize. A "Hot for Sales" contest, on the other hand, might offer an air conditioner to the winner.

• *Timing and Duration.* You can stage a contest any time, of course, but most firms prefer not to have them during the peak seasons. Also, it's probably a mistake to have too many contests. Some firms have found that when they put on several a year, salesmen became indifferent to them and failed to exert any extra sales effort.

Duration as well as timing is an important factor: In the opinion of a good many people who have staged successful contests, an individual contest should never run longer than 13 weeks, and usually no more than six. There are exceptions, of course, but generally speaking, the contest which runs longer than 13 weeks needs a great deal in the way of a promotional push or an exceptional first prize to sustain interest among participants. For most small wholesalers or jobbers, this kind of contest may be too high-priced.

CONTEST: PROMOTION

A good contest must be not only planned well, but also promoted well. A little showmanship won't hurt. Start off with a typewritten note (printing isn't necessary) addressed individually to each man. Next, you might buy special contest announcement forms which you can probably get at a few cents cost per copy.

Then keep interest alive by frequent reminders. You might or might not want to imitate the Eastern jobber who recently ran a "Bermuda Trip" contest for his salesmen. The kick-off was a picture postcard, mailed from Bermuda (by arrangement with a travel agency), telling his men that they could win an all-expense paid vacation on the island by meeting a certain sales quota.

Two weeks later, the jobber followed up that card with a letter, also postmarked Bermuda, giving further details. Later that same month his salesmen received a picturesque folder of Bermuda. Then other pieces of mail followed in quick succession.

The success in terms of sales spurts was so great that half of the jobber's sales crew -- and their wives -- won the right to take part in the trip.

• *Contest Scoreboard.* One way to maintain interest is to report "standings" frequently. Some firms prefer to tell each man privately where he stands, others announce positions publicly. Public announcements have the advantage of spurring on the "slow starters," but they may also prove a source of embarrassment to these men.

Many firms have elaborate boards which indicate the standings, and often these charts are tied in with the contest theme. Thus if the theme is "Mountain Climbing," the board will show how far each man has advanced toward the peak.

CONTEST: AWARDING THE PRIZES

There is an art to putting on a contest -- and there is an art to awarding the prizes. The way a prize is awarded is often as important as the prize itself. Make the winning salesman feel that you are not handing out a gift mechanically – that the prize has a meaning beyond its intrinsic value.

• *Winning the Winner.* You can make the prize mean something to the winner if you add little touches to the award ceremony. For instance, you might ask him to lunch with you. And when you give out the prize, don't do it in the privacy of your inner sanctum -- have as many of the other employees present as is feasible. As a matter of fact, some firms make it a practice to award contest prizes at their annual party or picnic, so that everybody will be present.

But while the winner should be paid tribute, the loser should not be forgotten. Perhaps a tactful letter from you might make him feel that losing isn't so bad after all.

- ***Why Not Try a Contest?*** If it's done well, a sales contest can do many things. It can make your salesmen exert that extra effort, give them a sense of competition, add some excitement to their daily routine. It can also bring in more sales and profits.

The jobbers mentioned earlier in this Aid agreed -- and you may agree with them -- that there are few more effective ways to give sales a quick boost than a well-planned contest. Here's your chance to see salesmen's morale -- and your sales curve -- spiral upward. So why not give the contest idea a try? Chances are it will work for you, as it has for many another firm.

FOR FURTHER INFORMATION

Businessmen interested in exploring further the subject of sales contests may wish to consult the references mentioned below. Other publications, of course, are available; however, in keeping with the editorial policy of the series, this list has been kept brief and selective. No slight is intended toward authors whose works are not included.

Sales Promotion that Gets Results, by Howard M. Turner. McGraw-Hill Book Co. 330 West 42nd Street, New York 36, N. Y. 1959. $6.50.

"8 Ways to Keep Salesmen's Morale High," in *Printer's Ink*, October 17th, 1958. Printer's Ink Publishing Corp., 635 Madison Avenue, New York 22, N. Y. 25¢ per copy; $5 per year.

"Do You Really Need Another Sales Incentive Program?" in *Industrial Marketing*, November 1958. Advertising Publications, Inc., 200 East Illinois Street, Chicago 11, Illinois. 50¢ per copy; $3 per year.

Survey of Special Incentives for Salesmen, by Albert Haring and Robert H. Myers, National Sales Executives, 136 East 57th Street, New York 22, N. Y. 1953. $2.

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Personnel Management

SMALL BUSINESS ADMINISTRATION • **EUGENE P. FOLEY**, Administrator
U. S. Government Agency

SMALL MARKETERS AIDS No. 100

Washington, D. C. March 1964

MAKE SELLING ATTRACTIVE TO SALESPEOPLE

By **Gerald D. Grosner**
Retail Consultant; former owner, Grosner of Washington Men's Store, Washington, D.C.

SUMMARY

This Aid discusses three areas which small retailers should find helpful in making selling attractive to salespeople. One is insisting that sales personnel improve their knowledge of merchandise and customers. They do it on nonselling time in the store.

The second area is incentive pay. A system rewarding efforts provides the long-range base for making selling attractive. And finally, contests can be used as reminders that selling is an attractive job.

Successful marketers achieve sales increases by making selling attractive to their salespeople. They set policies and do things which encourage employees to be interested in selling.

Such retailers insist that sales personnel use nonselling time to learn about the goods and customers. These owners also provide worthwhile incentive pay, and they use contests as reminders that selling is an attractive job.

USING NONSELLING TIME

Many small marketers miss opportunities for making selling attractive because they allow sales personnel to waste nonselling time. In some stores, salespeople fill their waiting time by visiting with each other, by leaning on their counters, or by idly staring into the street.

Such nonselling time varies from store to store, of course. However, in many cases, it runs from around 55 percent to 75 percent of the day.

Progressive marketers encourage their salespeople to use nonselling time to prepare for selling. They insist that personnel learn about merchandise and customers.

• Knowledge Sparks Interest

Stock work can be used to teach facts about your merchandise. Encourage your people to see stock work as something more than dusting items or replacing worn tickets.

Insist that they use stock work as a means for knowing what is on hand. What colors, sizes, and so on are in stock? What merchandise is on order? When is it expected?

Stock work can also tell things about customers. For example, which colors sell best? What items move fastest?

Encourage your salespeople to compare items as they work stock. For example, what details make one dress more expensive than another? What details make this appliance more useful and desirable than that one? Why would they, as a consumer, rather have this item than that one?

Knowledge gained through stock work shows through when the salesperson talks to customers. As one customer says about a piece goods saleswoman, "She knows materials, and if she says I need 3 yards instead of 2½, I buy 3 yards.

Another way to increase merchandise knowledge is that of encouraging salespeople to read during nonselling time. They should read the trade journals and fashion magazines devoted to your business, information supplied by your manufacturers, and other material which deals with your kind of goods.

• Customers--An Attraction

"The goods I sell attract me to selling," some saleswomen say, "but some of those customers repel me." They go on to say that some customers are rude and inconsiderate.

Of course, you can't change the customer. However, salespeople can be encouraged to consider customers as a challenge. Will I win

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by making the sale? Or will she walk out because I don't know my job well enough?

A knowledge of customers is helpful because the more the salesperson knows the easier it should be to close sales. Some retailers help their salespeople to get such knowledge by requiring them to keep a list of personal customers. It is done on nonselling time.

A simple way to do this is for each salesperson to set up a card file of his customers, with addresses and telephone numbers. On each card, the customer's preferences and the dates and descriptions of their purchases are also noted. In apparel stores, sizes are also listed.

The salesperson refers to these cards and notifies his customers about new merchandise arrivals, outsize arrivals, special-purchases, and clearance sales. He can do this by telephone, by letter, or by postcard.

- Off-Premises Selling

Some men's apparel stores make selling attractive and increase their salesmen's potential sales through "out-of-the-store" personal calls on customers. They do this off-premises selling by having their salesmen visit customers at their place of business at times when little store traffic is expected.

If your operation lends itself to this plan, the salesperson should turn in a report showing who was visited and where. Using these reports, you can write a letter thanking the customer for giving his time to your salesperson.

Such a letter does three things. First, it emphasizes to the customer that the salesperson called on him. Second, it sells the salesperson and the store. And third, it is a check on your "outside" salespeople and will encourage them to do their jobs well even when they are away from your direct supervision.

PAY PROVIDES THE INCENTIVE

In making selling attractive to salespeople, the right kind of pay has to go hand in hand with the interest you create through proper use of nonselling time. A good pay system makes selling attractive because it gives personnel the incentive to sell.

The system you use depends on your situation. But keep in mind that the purpose of any pay system should be that of insuring the employee a good income while moving goods out of your store.

A successful method of paying salespeople should (1) be easy to understand by the people who work under it; (2) be fair; and (3) stimulate salespeople so that they are eager to increase sales.

Do NOT put a limit on the salesman's earnings. If he earns a lot, don't try to change the method of payment so that he earns less. Such action demoralizes sales personnel and causes the top-notch ones to change jobs.

Rather, star salespeople should be held up as an example for others. Honor them in the presence of all personnel.

Look now at five kinds of payment systems. They are: (1) straight salary, (2) straight commission, (3) salary and commission, (4) quota and bonus, and (5) profit sharing.

- Straight Salary

The simplest pay system is straight salary. It is easy to keep books when it is used, and prevents undue pressure on customers. It eliminates arguments about "personal customers." Extra P.M.'s, or bonuses, in connection with this kind of compensation adds some incentive.

The disadvantage of straight salary is that it does not provide a great incentive to sell. Employees are likely to change jobs, if another merchant offers them more pay.

- Straight Commission

On straight commission, as you know, a person's only pay is a percentage of what he sells. The big advantage of this system is that the salesperson is on his own. It pays him directly to exert more sales effort.

It pays him to build a following. He gains when he telephones customers, when he joins and is active in civic and community organizations. He stands to increase his sales when he indexes his customers' preferences and requirements.

After a salesperson has built a following, he is reluctant to change jobs because he has to take the gamble that his customers will follow him to his new employment.

This system, of course, is an absolute control on selling expense. Each salesperson pays his own way.

Some stores use the straight commission and no draw for living expenses. They settle each week. A disadvantage is that 3 or 4 bad weeks in a row upsets a salesperson's personal budget and morale. He forgets his big weeks, and, in some cases, he probably has not put enough money aside from those weeks to carry him through his bad ones.

A monthly settlement against a weekly draw works fairly well for some stores. The draw should be large enough for the employee to pay living expenses. Yet it should be set low enough so that overdrawing does not occur.

The best settlement for most stores is a 3-month settlement. Use a weekly draw and settle every 90 days. Such a settlement gives salespeople a substantial amount of cash at one time. If settlement is longer than 90 days, the incentive is lessened.

A word of caution: if you use the straight commission method, check your "turn" system for handling customers. You will want to make sure that it is: (1) fair, (2) well supervised, and (3) gives each person credit for "personal trade."

A well-run turn system also keeps older personnel from shutting out a new salesman. Without it, the newcomer would have difficulty building up some "personal trade" of his own.

The amount of straight commissions varies with the merchandise being sold. For example, men's clothing usually carries a 5- to 5½-percent commission, and men's furnishings 6- to 6½-percent.

In some stores, salespeople pool their commissions and divide the pot equally or on some arbitrary basis. This practice tends to eliminate arguments about turns and "personal trade," and it prevents undue pressure on customers. However, a disadvantage is that it encourages loafing because some salespeople will tend to let others do the work.

- Salary and Commission

This method of pay combines two systems--straight salary and straight commission. Naturally, the percentage of commission in this method has to be much lower than in the straight commission system so that the total is no greater than your maximum allowable selling percentage.

Salary and commission reduces high pressure methods by salespeople. At the same time, this type of compensation provides salespeople with less incentive to go out and get business.

- Quota and Bonus

Another way to pay salespeople is by setting a quota and a bonus for making that quota. The period of time for the quota should be kept fairly short so that the reward for the extra sales comes while the salesman's extra effort is still fresh in his mind. Then, too, if he sees that he has no chance of making his quota and bonus in a period, he may relax until a new quota period starts.

Another key to using quotas successfully is setting them accurately for individual salespersons. Quotas, however, present you with the problem of explaining why one person's quota is higher than another's.

- Profit Sharing

Some stores tie profit sharing in with their pay plans. They figure each salesperson's share on gross profit because gross profit gives salespeople a bigger share and thus a greater incentive for selling. After all, they have no control over items such as rent and the owner's salary which are in net profit.

Profits can be shared by giving bonuses based on various brackets of annual volume. When you do it, your salespeople are really your partners and sometimes get a substantial sum of money once a year.

A disadvantage is that 12 months is a long time between profit-sharing checks. But even so, it is not likely that a good salesman will change jobs during the second half of the year.

FIT IT TO YOUR LOCALITY

You should keep in mind the fact that to be attractive a pay system has to fit your locality. For example, salespeople in a big city have to be handled differently from those in a small town. In a city, the draw, for instance, has to be bigger. Commission percentages vary from town to town and local settlement practices should be considered.

The system you use depends on your situation. However, the best thought-out system in the world won't work unless it provides good earnings for those who work under it. If you feel that your payment system should be changed, move with care. When changes are afoot, many salespeople feel that the boss is changing his system so he can cut their earnings and make them work harder.

Employees are more likely to accept changes when the boss listens to their ideas and suggestions about what is needed. If you decide to change your system, be sure that the changes are what you need. Keep in mind that it will be easier to sell your people on the idea that they'll be able to earn more money under the new system, if they have helped build it.

SALES CONTESTS ADD ZIP

Sales contests can act as reminders that selling is attractive and offers extras for unusual performance while incentive pay provides the long-range attraction.

Most people are competitive. They engage in sports contests--tennis and golf, for example--even under adverse conditions. They play cards and participate in other competitive social activities.

You might, for example, have a 2-week sales contest, with an attainable minimum to qualify.

Keep in mind, though, that you may need to have some handicapping arrangement to avoid a one-sided contest. Otherwise, your top salesperson or people will run away with the contest. Some stores encourage the low sellers by also offering a prize for the most sales improvement over a comparable time period in the previous year.

Another type of contest is the "most units" of a certain item over a specified period. Here again, the one or two top salespersons have to be handicapped.

"Ahead of season" contests can also be very productive. In such contests, merchandise is sold 30 to 60 days ahead of the normal selling period. For example, in a men's wear store, if customers normally buy tropical suits in May, put on a "tropical suit contest" in March. Give a prize to each salesperson who reaches a certain dollar or unit volume.

With such a contest, Christmas toys can be sold in October. Silverware can be promoted in April for graduations and for weddings in June.

"Ahead of season" contests gives salespeople something to work on during quiet sales periods. Customers are brought into the store ahead of the season. Stocks are at their peak, and customers can make unhurried selections.

An advance season contest has to run for 4 to 6 weeks because customers see no urgent reason for buying ahead of time. It may take a week to get the first ones into the store.

Keep salespeople interested by giving small prizes every 2 weeks in addition to a big prize at the end of the contest. A biweekly smaller prize is helpful if there are enough contestants.

In any kind of contest, keep your salespeople posted. Let them know where they stand every day, or at least every other day. Follow up with the laggards to get them to do better.

In most cases, prizes should be in cash. Award them in the presence of all contestants. Some people enjoy the glory of winning a contest more than they do the prize. A presentation ceremony sometimes spurs one of the losers to win the next contest.

Sometimes merchandise awards are better than cash because the prize item can be dramatized. It can be tied in with the merchandise which is pushed in the contest.

Keep in mind, that as you work to make selling attractive you are accomplishing two things. One is the development of skills which make for proficient salespeople. The other is a sales group which is more likely to stay with your store because selling there is an attractive job.

FOR FURTHER INFORMATION

Readers who wish to explore further the subject of making selling attractive may be interested in the references indicated below. This list is necessarily brief and selective. However, no slight is intended toward authors whose works are not mentioned.

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Selling

SMALL BUSINESS ADMINISTRATION • EUGENE P. FOLEY, Administrator
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SMALL MARKETERS AIDS No.103

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REVITALIZE PERSONAL SELLING IN YOUR STORE

By **Karen R. Gillespie**

Professor of Retailing, School of Retailing, New York University, New York, N.Y.

SUMMARY

Effective personal selling helps build repeat business in a small store because customers like to be treated as individuals.

In revitalizing face-to-face selling, the small retailer's first step is to examine the quality of present personal selling in his store. He should then determine the weaknesses and strengths of each salesperson.

Included in this Aid is a scale which should be helpful when rating the traits needed for personal selling. It can also be used on a periodic basis to check on how individuals are overcoming their weaknesses and building their strengths and selling skills.

Personal selling offers small retailers a strong competitive tool. Many use it, for example, to offset the appeal of lower price which some competitors offer.

However, some small store owners throw away this opportunity. They let inefficient or discourteous personal selling drive away customers.

POOR PERSONAL SELLING

The case of Mr. and Mrs. Booker* provides an example of poor personal selling. They stopped at a photography counter during the busy Christmas season. "I haven't bought a camera for years," Mr. Booker said to his wife, "so I need help in picking one. I wish a salesman were here so we could ask him some questions."

A few feet away two salesmen were talking together. After waiting several minutes, Mr. Booker signalled to them, and one with an annoyed look strolled over to the camera counter.

"Something you want?" the salesman mumbled half-heartedly.

"Yes," Mr. Booker said, "I want to take up photography. But I haven't owned a camera for a long time. Could you help me? These cameras vary widely in price. What are the differences?"

"Well," the salesman said as he glanced into the show case, "it all depends on the price you want to pay. The more you pay, the better camera you get."

Mr. Booker bent down to get a better look at the cameras. The salesman leaned against the wall and looked into space.

"Why are the more expensive cameras better?" Mr. Booker finally asked with a puzzled look.

The salesman shrugged his shoulders. "That depends on your personal likes. They're all good." A long pause followed.

Finally, Mr. Booker looked at his wife helplessly, "Guess I'd better stay with my stamp collection."

The salesman appeared relieved. "Might be a good idea," he said and sauntered off.

Mr. and Mrs. Booker felt defeated. They turned and walked out of the store.

EFFECTIVE PERSONAL SELLING

Now look at what happened when Mr. and Mrs. Booker went into another neighborhood store. Two salesmen stood near a showcase of cameras. As soon as the couple paused at the display, one salesman walked toward them.

"Show you a good camera?" he asked.

Mr. Booker explained his problem in selecting a camera.

"We've several good ones in stock," the salesman said. "What you want, of course, is a camera that is easy to carry. You also want one with some lens flexibility--that is for action shots as well as still pictures.

He thought for a moment and then said, "This one is especially good." He took a

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*Names are disguised in Aids.

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camera from the case and handed it to Mr. Booker.

While Mr. Booker examined the camera, the salesman continued to talk about cameras. He talked about films, about the right kind of filters, and about flash bulbs. He suggested two kinds of film for trial, and then showed a line of gadget bags for carrying photography accessories.

After Mr. Booker had picked out a camera, film, and a bag, the salesman invited him to return for more film. "And you may want to try our two-day developing service," he said.

The couple left the store feeling pleased about their selections and about the salesman who had helped them.

IS YOUR PERSONAL SELLING EFFECTIVE?

The first step in revitalizing personal selling is checking the quality of personal selling in your store. Is it helping to build repeat business? Observe your salespeople to see how their personal selling measures up against the following questions:

Are your salespeople prompt in greeting the customer? Are they interested in the customer's problems? Are they courteous throughout the sale?

Are your salespeople eager to get the merchandise into the customer's hands? Are they enthusiastic in suggesting related goods? Do they know the facts about the products they sell?

Keep in mind that face-to-face selling is becoming more and more a task of informing and explaining. The effective salesperson has to be a consultant to customers because they want to know how the products will meet their needs.

A clerk who merely stands behind the counter and answers questions about the location of goods cannot make sales when design, quality, fashion, fine material, or expert workmanship are important parts of the merchandise. To sell such items, you need sales consultants--individuals who can advise customers.

Style Requires
Personal Selling

In such personal selling the sales consultant has to: (1) know the latest fashion features; (2) be able to answer technical questions; (3) understand comparable values; and (4) be able to explain advantages, methods of use, care, and other details about the merchandise.

FINDING THEIR WEAK POINTS

When you examined personal selling in your store, you probably found things which can be improved. One salesperson, for example, may be slow in greeting customers. Another may fail to get merchandise into the customer's hands.

Perhaps you thought, as have other small retailers, "Our sales would increase if only I could hire some well-qualified people." Unfortunately efficient sales applicants are often not available, and the small retailer has to do his best to develop his present people.

In trying to upgrade your salespeople, the best starting point is finding out their weaknesses and strengths.

Look for a few moments at some of the personal characteristics which help an individual to become a good salesman. By analyzing countless sales situations, experts have been able to list the qualities which are common to good salespeople. Certain characteristics, or traits, help a person to be a successful salesperson. The lack of those traits handicaps an individual in personal selling and results in diminished sales.

These traits are discussed under five headings: (1) objectivity, (2) personal appearance, (3) sociability, (4) maturity, and (5) mental alertness. After you have read about them, use the scale on page 4 of this Aid to rate each of your salespersons.

• Are They Objective?

The trait of objectivity--or being an extrovert--is important in selling. It is another way of saying that good salespeople understand people.

Successful salespeople like to mingle with other individuals and enjoy talking with them. Such individuals have the ability to see the other person's point of view.

Such objectivity permits the salesman to put himself in the customer's position and to interpret the customer's wants and needs in terms of the customer's own interests.

On the other hand, subjective--or introverted--people do not make good salesmen. They dislike meeting people. A subjective person looks at things in the light of his own reactions. He, or she, is concerned more with his own welfare than the customer's. Often such a salesperson tries to foist his opinions, tastes, or values upon the customers. Subjective persons--or introverts--are rarely successful as salespeople.

To be a good salesman a person should first be outgoing. He should like people and be customer-minded--be able to put himself in the customer's place.

• Are They Personable?

To make a good first impression on customers, and to continue to gain their respect, the salesperson should be personable. He should have the following:

Good Appearance. Well groomed salespeople are clean, neatly dressed in appropriate business attire, with hair combed, and shoes shined. A man is clean shaven, and a woman uses conservative makeup.

Good Health. Healthy salespeople have the ability to work all day without becoming excessively tired, and they are on the job day in and day out.

Good Bearing. Poised salespeople are composed and act dignified.

Good Expression. Grammatical speech and a pleasant tone of voice add to the overall agreeable impression a salesperson makes on a customer.

- Are They Sociable?

Certain personal qualities help a salesperson to create an atmosphere in which customers enjoy making purchases. To do this salespeople should have the following traits:

Enthusiasm. Enthusiastic salespeople have a keen interest in their job and impart this enthusiasm to their customers.

Tact. Tactful salespeople handle customers without offending them.

Loyalty to Product and Store. Loyal salespeople make the customer feel a certain pride about the purchases he or she makes in that particular store.

Confidence. Confident salespeople reflect assurance that they are capable of helping the customer. The customer feels that the opinions of such salespeople are worthwhile.

Courtesy. Courteous salespeople are polite and well-mannered even under trying circumstances. They do not argue with customers. They agree with statements made by customers whenever possible. Even when they disagree, they avoid controversy over statements made by customers.

Friendliness. Friendly salespeople make customers feel welcome as they would guests in their homes.

- Are They Mature?

Certain traits show that a person is mature. For instance, emotionally mature salespeople handle situations smoothly even when unpleasant. They do not pout or become bitter over the actions of other people within the store or with customers. Mature salespeople have the following traits:

Understanding. Understanding salespeople listen intently when the customer explains his problem. Thus, they are able to interpret the customer's needs and wants correctly.

Industry. Industrious salespeople are willing to work hard to produce desired sales results.

Dependability. Dependable salespeople are on the job as assigned, and they carry out orders as directed.

- Are They Mentally Alert?

The last group of traits which are helpful to successful personal selling can be labeled with the words "mental alertness." To be able to contribute the thoughts and ideas needed to complete a sale, the salesperson should have the following qualities:

Good Memory. This trait enables the salesperson to remember customers, facts about merchandise, and information about the store and its systems.

Enthusiastic Salespeople
Help Build Repeat Business
SALE

Accuracy. Accurate salespeople can handle the many details associated with the selling of merchandise with a minimum of errors. Accuracy is essential because of the countless details connected with retailing.

Imagination. Imaginative salespeople have the ability to interpret the customer's needs and wants in terms of the merchandise available. Imagination also helps the salesperson to meet the customer's objections and to overcome sales resistance.

Knowledge. Knowledgeable salespeople have the ability to talk about topics of current interest and especially about the goods and related problems. In order to be a sales consultant who can advise customers, the salesperson has to know, for example, about style trends, materials, construction details, finishes, decoration, uses, and care of the items they sell.

Interest. Interested salespeople like their jobs. They enjoy the work they do and they are proud of their ability to help customers in making buying decisions.

ENCOURAGING THEM TO IMPROVE

Revitalizing personal selling is largely a matter of encouraging your people to improve themselves. Start such encouragement by making sure that your people know their weaknesses and their strengths.

You may want to have each one rate himself on the rating scale. Compare his rating and the one you made. Together you and he can determine the weaknesses he needs to overcome. You can also point out strengths he can use to the best advantage.

Then let each salesperson know that you plan to rate him again in a few months--3 or 6 months. You may want to rate beginners more often, perhaps once a month while they are in training.

FOR FURTHER INFORMATION

Businessmen who wish to explore further the subject of revitalizing personal selling may consult the following references. This list is necessarily brief and selective. However, no slight is intended towards authors whose works are not mentioned.

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RATING THE TRAITS NEEDED IN PERSONAL SELLING

To rate one of your salespeople, or yourself, mark each trait on a scale from 1 for "very poor" to 5 for "superior." Write the appropriate number for each trait in the "Score" column and total that column. A score of 85 or above is excellent, 75 to 84 is good, 55 to 74 is average, and below 54 is poor. You may want to have each salesperson rate himself and then compare his rating with the one you made. By discussing differences in the two ratings, you can encourage the salesperson to build on his strong traits while working to improve his weaker traits.

CHARACTERISTIC	Always (5)	Usually (4)	Half 'n Half (3)	Rarely (2)	Never (1)	SCORE
Objective						
Well-groomed						
Healthy						
Poised						
Grammatical speech & pleasant voice						
Enthusiastic						
Tactful						
Loyal						
Confident						
Courteous						
Friendly						
Emotionally mature						
Understanding						
Industrious						
Dependable						
Good memory						
Accurate						
Imaginative						
Knowledgeable						
Interested in job						
					Total	

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MAKING YOUR SALES MEETINGS PROFITABLE

By *Bernard C. Weirauch,* Vice President-Sales, Orr Iron Company, Evansville, Indiana

SUMMARY

A sales meeting has one primary purpose: To tell members of a sales staff *something specific!* Usually this purpose is to "sell" them on the merits of a product, its applications, and on what that means in terms of compensation for the salesman and his company. The sales meeting should be an exciting example of the highest type of selling. In the meeting are the very people you will depend on to move the product through the distribution chain.

The fact that salesmen are a captive audience is no reason to assume that they will believe everything you tell them, and will obediently dash out and sell the product. Remember, they have heard this basic pattern before. Hence, a more thorough and convincing selling job must be done *with them* than even with the customer. Anything but the best possible presentation, told understandingly and convincingly, is poor policy.

In making sales meetings profitable, close attention should be given to the following points: Plan meetings with customers and prospects in mind; don't cover too many subjects; allow sufficient time; provide variety; change the pace of presentations; use showmanship as spice in the meeting; don't forget visual aids; watch out for the little details; seek a neutral atmosphere; prevent interruptions; stress product knowledge plus sales training; include engineers on the program; give the meeting a "forward look". and encourage two-way discussion.

A good first question to ask yourself is: What is the specific objective of this meeting? You may have many good reasons, but make sure you choose the one which is of prime importance as the springboard. Then prepare your program with that goal in mind. If your objective is to teach salesmen how to sell more of "X" product, make that subject the first order of business and stick to it.

However, once you have your major objective clearly in mind, start a lucid presentation, making sure your salesmen understand clearly what you are attempting to do. Then see that other subjects are placed in their proper perspective. Where it is practical, insist that any other subjects discussed reflect directly on product "X" and give it greater importance in the eyes of your salesmen.

PLAN MEETINGS WITH CUSTOMERS AND PROSPECTS IN MIND

Anyone speaking to your salesmen about a product, should avoid mentioning features which are supposed to be "good," unless they explain *WHY* these features are important to the purchaser.

Good quality, in itself, never sold anything. The features that make up "good quality" sell a product only when they are presented in terms of why they are important to the customer. In other words, the "reason why" is what counts. Consequently, sales meetings should spotlight a product's specific qualities, applications, and markets. This adds believability to the ideas you are trying to get across to your salesmen. Anything they can understand and believe, *they* can in turn sell.

DON'T COVER TOO MANY SUBJECTS

A meeting in which a limited number of subjects are thoroughly discussed is usually more fruitful than one which merely scratches the surface of a lot of material. Salesmen, after all, can employ only the sales story they understand. Therefore, confusion, uncertainties, or failures to understand should be precluded, even at the cost of lim-

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iting the material covered.

Restrict the presentation to fundamentals and make certain that every appropriate phase of these fundamentals is adequately considered. Anticipate all the questions you can; if any new ones are asked be SURE to answer them. A good salesman, equipped with a thorough knowledge of the basic facts, will develop a more effective sales presentation than he will with a preplanned sales story which has been thrown at him superfically.

ALLOW SUFFICIENT TIME

Don't cram too much into a session. It is better to make sure that a limited amount of material is well understood, than to risk the confusion which usually results when you "throw the whole book".

With most guest speakers, you will find a safe rule of thumb is to assume that each may need 20 percent more time than he estimates. From his typewritten draft or outline notes, he may feel he has his speech "timed to the minute." But speakers usually add their greetings to the group, a "rebuttal" to the introduction, plus perhaps interruptions for questions. All this may push you close to nervous prostration as you see a speaker going strong and already 15 minutes into the next person's time.

Two ways to avoid such difficulties are:

- ***Built-in Slack.*** Tell your speaker he has exactly so many minutes. Then, if you have no knowledge of how he handles himself with respect to timing a speech, allow up to 20 percent more time on *your* schedule than you have on *his*.
- ***Flexible Intermissions.*** If, for some reason, you must publish a program on which the exact hours are indicated, you can allow liberal time for "breaks" or recess periods. Later, if your program runs behind schedule, you may shorten these breaks, or eliminate some altogether.

PROVIDE VARIETY

In a sales meeting your salesmen are in an atmosphere entirely different from their normal working conditions. To you, as an executive, the situation may not be much removed from your usual routine. You are accustomed to meeting with various groups in the company, with civic and fraternal organizations, and with trade associations. But the salesman is completely separated from his usual "climate" of travel, receptionists, buyers, briefcases, samples, alertness to objections and ready answers.

A sales meeting is somewhat like removing a boxer from the ring and making him sit quietly in a class on physical fitness. A little is all right, but the program must be varied enough to hold his interest. Don't invite thoughts of various field situations to enter the salesman's mind and thus distract his attention from what is being said.

CHANGE THE PACE OF PRESENTATIONS

Few speakers are so good that their audience doesn't get tired of them (even though they don't think so) if they try to run too much of the show single-handed. In sales meetings today many companies are using as a rule of thumb a maximum of 20 minutes per man before any one group. Some companies alternate speakers even more rapidly. Such a limitation forces a speaker to have his remarks well organized and helps to prevent rambling. This change of pace keeps a meeting "alive" and permits the group to absorb more from a single session.

USE SHOWMANSHIP AS SPICE IN THE MEETING

Showmanship, used moderately and properly timed, can drive home important points. It involves knowing what is appropriate, how to set up the proper background, and when to stop. Good showmanship in a sales meeting does not mean a theatrical performance. Instead, it is really a simple but effective illustration. For example, one company in dramatizing the reason for asking 100 percent cooperation from all salesmen in a particular campaign, had on the stage a huge pair of scales (a homemade enlargement of an old-fashioned weighing balance). On one side was placed a large box labeled "Our Goal." On the opposite side, the boss placed, one by one, a series smaller boxes each labeled with a salesman's name. Only after the last small box was added did the big pointer swing into balance between the big and little boxes.

The stunt was very effective in driving home the point that only through the combined "weight" of every salesman could the job be achieved. Skits, humor, and case histories are among the other inexpensive but useful tools which can add "spice" to your sales meetings.

DON'T FORGET VISUAL AIDS

Flip charts, film strips, cut-away displays, flannel boards, and "black light" can be very important in making a lucid sales meeting. However, no speaker should ever expect them to do the whole job for him. In addressing salesmen, a speaker should know exactly what will be the most effective sequence of ideas. With a supply of 3 x 5 inch cards, there is no excuse for a speaker "wanddering" in his presentation and leaving all the graphics until the end. Many manufacturers and distributors insist that every speaker rehearse *with his visual aids* prior to appearing before a group of salesmen.

Many wholesale distributors' sales meetings are put on by manufacturers' representatives. Today, many distributors insist that, in addition to the local representative, the factory send the sales manager, regional manager, or "someone from headquarters" trained in conducting meetings.

The reason for this is that good factory men in the field sometimes fall flat before a roomful of distributor salesmen because they "trust to luck" to pull them through. As a result, more and more alert manufacturers today are training their salesmen not only in product knowledge and in selling techniques, but also in the art of staging effective meetings for distributor and/or retailer salesmen.

WATCH OUT FOR THE LITTLE DETAILS

Seldom, if ever, does a sales meeting flop because of management's failure to plan major details. It is the little details, so easily overlooked, which usually cause the trouble. For example, the executive may go to extreme lengths to find just the right movie on some appropriate subject only to have the whole thing flop in the meeting when the sound system on the projector failed to work. It was only a little detail which he failed to check before the meeting. Extensive and expensive rehearsals for a sales meeting, to "make everything just right," can go down the drain because somebody forgot the chalk for the blackboard, or the thumbtacks for the posters, or the easel to hold the charts. The preparation of a checklist in advance will prevent overlooking most of these details.

SEEK A NEUTRAL ATMOSPHERE

Sales meetings held in a room at the plant are sometimes so suggestive to the salesman of the "things I meant to get done while here" that some of the effectiveness of the meeting is lost. Also, routine noises in a company's plant or office are usually very distracting. In this regard, many firms have found that a hotel room or similar meeting place, adequately equipped and away from company property, is the most conducive to attention, study, and learning. Many managers have decided that "saving money" on sales meetings by holding them in any available factory space is far too expensive for them.

The meeting room should be comfortable, quiet, and air conditioned (or at least well ventilated). It should be equipped with a stage or platform for the speaker, visual aids, displays, and the like. All the salesmen should be able to see and hear well. To facilitate taking notes, as well as to help alleviate fatigue for the salesmen, it is best to equip the room with rows of tables across the room with rows of tables across the room and with comfortable chairs.

PREVENT INTERRUPTIONS

Any interruption that causes all, or even one of your salesmen to be distracted reduces the efficiency of the meeting. Most interruptions can be eliminated by stationing a qualified man at the door in the rear of the room, with the assignment of controlling incoming messages, visitors, supplies, and equipment. However, here are two common distractions you should be careful about:

●***Too Much Literature.*** Catalog sheets, price lists, pictures, and descriptions should be distributed only at the point where a speaker is going to focus the attention of each salesman on that printed material. Any speaker will lose a high proportion of his listeners when they have too much printed matter before them.

●***Steady Stream of Samples.*** A series of samples passed along from salesman to salesman is usually a quick way to disrupt your meeting. If samples for each member of the group are not available, the next best substitute may be a visual aid such as a flip chart or photographic slide. It is usually better for a speaker to go over the features of a product as he speaks to the group, holding their attention on the particular item. If only one sample is available, and if there are no charts and no photos, the sample should be used by the speaker alone and not circulated during the meeting.

STRESS PRODUCT KNOWLEDGE PLUS SALES TRAINING

A salesman's knowledge of his product and its application is important. But it is not the whole answer in selling. Many sales managers today feel that too much product knowledge can actually be a hindrance. For example, not many consumers buy an air conditioner for its bearings, 1750 RPM motor, compression ratio, or heavy gauge steel. What most customers really want is the comfort it will afford. Consequently, the features of the product must be converted by the salesman into benefits and advantages to the prospects.

A sales meeting must give salesmen knowledge of effective selling methods in addition to product knowledge if it is to achieve maximum success. Some small manufacturers provide such training through outside agencies. Others attempt it with mail-in cases where salesmen are widely separated geographically. Still others have sales trainers on their staffs, who give intensive sessions in selling methods. (A quarterly, semi-annual, or annual refresher meeting for sales training is often arranged at the company's headquarters.) Many manufacturers depend on district offices to hold sales training meetings.

Professional sales trainers base their presentations on methods and techniques well established. One advantage in using such outside professionals is that they do not allow product information to fill too great a proportion of a sales meeting.

GIVE THE MEETING A "FORWARD LOOK"

Future plans should always have a high priority. Report on the past only to the extent of "giving the scores" in which salesmen may be interested. Long-winded historical reviews are worthless. Concentrate, instead, on facts that will instill confidence in the company and its management. Compare your growth over competition's loss. Present all statistical reports in terms of "What does it mean to me, as a salesman?" Highlight added services, better advertising, improved engineering help, promising new products, and so on.

ENCOURAGE TWO-WAY DISCUSSION

A sales meeting in which there is free two-way discussion among all present will give management facts on the sale of its product which may have been overlooked. Executives, advertising, and promotion men can present useful information to the salesmen; they, in turn, can frequently contribute new ideas for better merchandising, promotion, and even product variations.

Sales meetings are a vital part of selling and of management. Good meetings bring many benefits: Training, education, good attitudes and relationships among salesmen, and between salesmen and management. They give a morale uplift, challenge, enthusiasm, loyalty, and an understanding on the part of salesmen that management respects them, depends on them, and has confidence in them. Profitable sales meetings are designed to help the salesmen; they should not be a mere sounding board for management.

FOR FURTHER INFORMATION

Readers who wish to explore further the subject of sales meetings may consult the references indicated below. These books, of course, are not the only ones which could have been cited. Many others are available. However, in keeping with the editorial policy of this series this listing is necessarily brief and selective. No slight is intended towards authors whose works are not mentioned.

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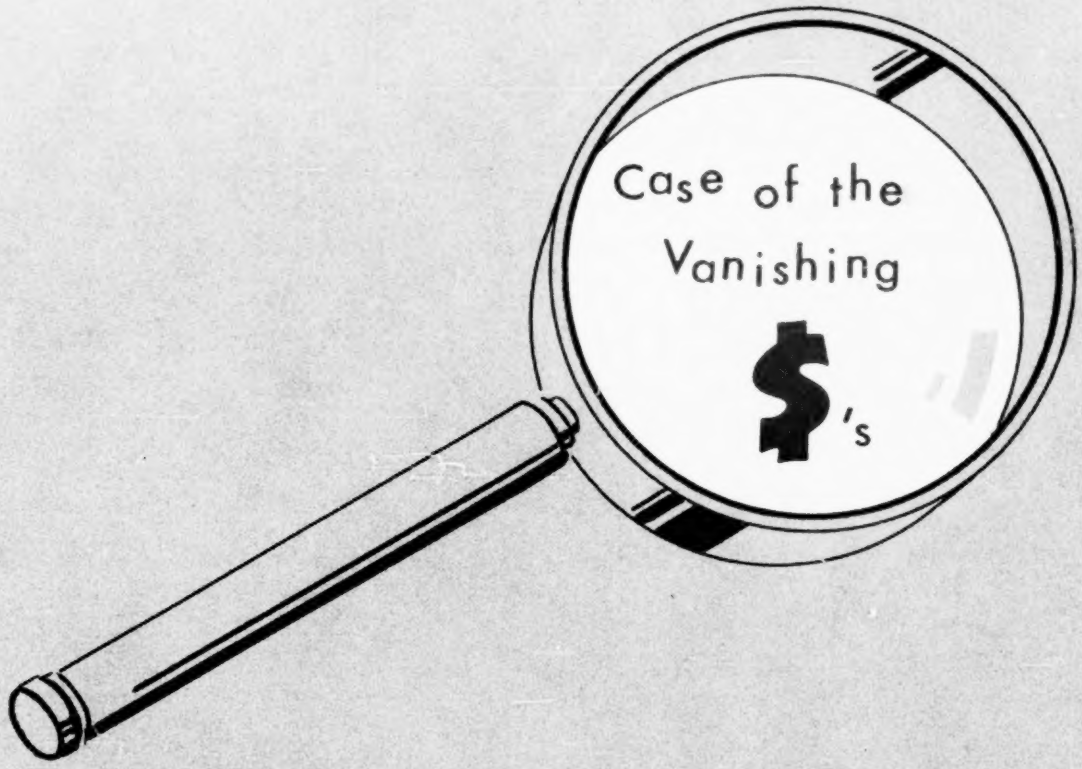

CASES IN POINT

Case Studies for Depth Penetration

Section

The case method has proven stimulative and effective in many administrative management courses. The following case material is suggested as a means of encouraging discussion.

It is suggested that one full session be devoted to the presentation of the topic as outlined in this manual. A case can sometimes be used to stimulate or augment the discussion period that follows the presentation. This could be one way of expanding the basic materials into an advanced course on the subject.

THE CASE METHOD OF STUDY

What is the case method? The case method is a teaching device that helps the student learn through exercising the reasoning and decision-making processes. This can be contrasted with other popular teaching techniques which place stress on learning (or memorizing) an accumulation of past knowledge on a given subject. The case method stresses thinking rather than memorizing; it is a dynamic or active method rather than a passive one.

What is a case? A case is a description of an actual or true-to-life business situation. It is a statement of facts, opinions, and judgements--in short, it is a problem.

The case method is particularly useful in teaching businessmen because it utilizes real, practical problems rather than abstract concepts. Properly used, it provides a realistic environment that causes the participant to become involved and holds his interest. It provides experience in performing essential parts of the administrative tasks without incurring the penalties of a wrong decision on the job. It develops within the individual the process of making decisions, and forces him to think analytically and constructively.

The student also learns the value of group discussion and analysis. Each member of the case discussion group contributes from his unique experience, and each gains from the others. The group knowledge and experience will exceed that of any individual participant--including the instructor.

The following checklist is suggested as an outline procedure for conducting case study and analysis:

Suggestions for Case Study

1. Read the case carefully for general content.
2. Arrange the facts of the case in order of importance.
3. Recognize and define the major problem(s) that need solution.
4. Analyze the problems and their relative importance.
5. Search for and establish alternative solutions.

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6. Select the most desirable of the appropriate solutions.

7. Analyze your probable solutions--set up the pros and cons of solutions, giving value to each.

8. State your choice, decision, or final conclusion--be prepared to defend it.

9. Stipulate the plan or plans for implementing the decision.

ROLE PLAYING AND THE CASE METHOD

One means of presenting cases for discussion and analysis is "role playing." In this approach, participants in the course have an opportunity to "act out" the roles of people in the case, rather than just reading the case. This method helps the participants become more personally involved in the case. It also lends some variety to case presentation. Of course, discussion of the case and its ramifications will follow the presentation of the case, as is the procedure with other types of cases.

The course participant may wish to take this case to his place of business, and use it as a training device for his own salesforce.

THE EGGBEATER CASE[1]

Scene: A retail store.

Characters:

Clerk : A well-meaning but completely confused person. He breaks every rule of good selling without ever knowing it. (In playing the part, remember to change all the ways you usually sell and act as if you are sure the customer is not in the least tempted to buy. DO NOT demonstrate or even touch the eggbeater. Just point to it.)

Customer: An average woman whose only distinction is the ability to bake prize winning cakes. (In playing this part, act as you would in a store if a clerk treated you as this clerk does.)

Customer enters--clerk approaches, yawning.

CLERK: Good morning, Ma'am. May I help you, Ma'am?

CUSTOMER: I want an eggbeater.

CLERK: Yes, Ma'am. The eggbeaters are right there on the counter.

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[1] From: The How's of Salesmanship, a special project presented by the National Association of Distributive Education Teachers.

CUSTOMER: I just love to make angel food cakes, so I want a good heavy beater.

CLERK: Well--since you can't afford an electric beater, this cheap eggbeater will be just the thing for you, Ma'am. It is a good one. We bought a thousand eggbeaters and we're having a sale. We can still sell them cheap and make lots of money on them. We have so many that we would like to get rid of them.

CUSTOMER: Well! I'll have you know I own a beautiful electric mixer. I just happen to think a hand beater makes better angel food cakes.

CLERK: I should think a woman of your age would try to save her strength.

CUSTOMER: What!

CLERK: I mean your arm won't ache hardly at all when you use this beater, Ma'am. Besides, this eggbeater is fixed so it won't spatter any more food on your kitchen walls.

CUSTOMER: I'll have you know I don't spatter food when I cook!

CLERK: Some do and some don't. Notice the color of this handle. It will brighten up your dull kitchen.

CUSTOMER: Look! All I want is an eggbeater to make angel food cakes--not a decorating scheme. Will it make cakes?

CLERK: Frankly, I don't know, Ma'am. I don't make cakes myself. This eggbeater is real cheap, Ma'am. It's on special--only $1.75. However, if you can't afford this kind, we have a cheaper kind. It is only 75¢.

CUSTOMER: What is the difference in them?

CLERK: The difference is One Buck--that's all. One Dollar! It will beat eggs just the same. Some people like to spend more for everything and others like cheap things. So--the boss carries two kinds. That's all.

CUSTOMER: Will the $1.75 eggbeater last longer or make better angel food cakes?

CLERK: I don't know. I don't make cakes or eat them. They are fattening. You know most people don't eat much cake these days because it is so fattening.

CUSTOMER: Maybe that is true--but my husband just loves my angel food cakes and he is very thin.

CLERK: You're lucky! My wife is fat. I was just saying to my wife the other day, "Jean, you're fat--just look at how fat you are." She ought to reduce. But she won't. Just loves to eat fattening things like cake or pie.

CUSTOMER: Will this metal rust?

CLERK: I don't know. (Long pause. Clerk studies his fingernails.) Shall I wrap it up for you? It is a good eggbeater.

CUSTOMER: No--I think I will just keep on making cakes with my electric beater. (She walks away.)

DISCUSS THIS CASE BEFORE TAKING UP THE ROLE-PLAYING "SALES DRAMA" ON THE NEXT PAGE.

THE LADY AND THE CLERK

A Sales Drama in One Act

Scene: A retail store.

Characters: A clerk--who just LOVES to make sales.
Mrs. Baker--who just LOVES to make cakes.

CLERK: Good morning. May I help you?

MRS. B: I'm just looking, thank you. (She wanders around and then picks up an eggbeater. Whirrs it.)

CLERK: We're really glad to have you look. That is a wonderful eggbeater. It whips eggs in a hurry.

MRS. B: I just love to make angel food cakes and my husband, Mr. Baker, just thinks my cakes are wonderful. (She puts down the eggbeater.)

CLERK: This eggbeater will help you make prize angel food cakes. Notice how easy it is to operate. (He hands the customer the beater.)

MRS. B: I own an electric beater but I think cakes are better if they are made by hand. What do you think?

CLERK: I've heard many skilled cooks say that. Notice how the blades are turned so you won't spatter food on your spotless kitchen.

MRS. B: How much is it?

CLERK: This is our best quality hand mixer. It sells for $2.00.

MRS. B: That seems to be a lot for an eggbeater.

CLERK: Yes--it may seem expensive, but a heavy-duty beater like this will last for years. You'll enjoy the speed and efficiency and soon forget the price. We have several types of beaters at lower prices I'll be glad to show you. However, if you make cakes, you deserve the best tools.

MRS. B: I suppose it will last a long time. Will this material in the blades rust?

CLERK: I don't know. This is an Echo Beater and they make the best quality merchandise. Let me see what information is on the eggbeater itself. (Takes eggbeater and reads tag on it.) It says the blades are of stainless steel so you will find this beater is always easy to keep clean.

MRS. B: I still think that is a terrible price for an eggbeater.

CLERK: Actually, this quality beater usually sells for $2.50--but we are having a special sale on them. Notice how little effort it takes to run it. It almost runs itself.

MRS. B: Well--I don't know.

CLERK: You notice the handles are painted beautiful colors. Which color will go best with your kitchen?

MRS. B: I guess I'll take yellow.

CLERK: Fine. I'm sure you'll enjoy using this beater--just as your family will enjoy the wonderful cakes you will make with it. Did you see this new plastic cake cover? It seals away the air and keeps cakes fresh for days.

MRS. B: How much are they?

CLERK: Only $3.00--and they really save food.

MRS. B: I guess I might as well get one of those while I am here.

CLERK: In yellow?

MRS. B: Yes, that will be fine.

CLERK: Let's see--that will be $2.00 for the beater and $3.00 for the cake saver. That will be $5.00. Shall I wrap them together so you can carry them easily?

MRS. B: (Hands clerk a $20.00 bill.) Yes, please.

CLERK:	Five dollars out of twenty. Here is your change. (Counts money back to customer.) 5--10--15--20. Thank you very much, Mrs. Baker. I'm sure you will be glad you bought the best quality beater.
MRS. B:	(Walks away with package.)
CLERK:	(To himself) Wish I had some of her cake right now. I'm hungry. Nice customer though--she bought two things when she said she was only looking.

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THE INCUBATOR

A How To Do It

Section

Experience has shown that people achieve maximum benefit from a conference, staff meeting, or training session when a period of incubation follows the implantation of the new idea, new information, or "new slant."

This is a do-it-yourself section that will allow the participants to try out or apply the ideas and information gained from this session.

This material may be reproduced locally for distribution to course participants.

SUGGESTED INCUBATOR ASSIGNMENTS

You may wish to try some of the following discussion questions on your staff at a sales meeting. These items may need some adaptation to your line of business.

1. You have probably met a salesman whom you regarded as a master of the art of persuasion.

    (a) What is the secret of his success?
    (b) What can you and your sales staff learn by observing him?
    (c) How does he focus the customer's attention?

2. Drawing upon your own experience as a customer, list the actions or characteristics of salespeople which have annoyed you.

3. Drawing upon your own experience as a customer, describe a sale in which you derived great satisfaction and felt that the salesperson's aim was to help you.

4. Do you believe it is possible to follow the "golden rule" in selling?

5. What is high-pressure selling?

6. Would you spend much time in making a presentation of a package of cigarettes to a retail customer? To a retail distributor? Why?

7. Why is it important to handle merchandise during a sales presentation as if it were of great value?

8. Give some of the typical objections you hear from customers under the appropriate headings:

    (a) Objections to product, merchandise, or service itself.
    (b) Objections to prices.
    (c) Objection to making up their mind.
    (d) Other.

9. Rate the following closing statements poor, fair, or good:

   (a) Shall I wrap that one for you?
   (b) Is there anything else?
   (c) Would you like to buy one now?
   (d) Will two be enough?
   (e) This is the only one we have left.
   (f) It's your problem, make your choice.
   (g) Our sale will be closed by tomorrow.
   (h) I have one myself.
   (i) Will you take it along or should I have it delivered?
   (j) Brown or blue?
   (k) Obviously, you need the big one.

10. In your business, what is the most important factor in making a successful sales effort?

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